

## **What is Next for the Study of Nondemocracy?**

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### **Abstract**

The vast majority of the world's population has always had limited access to political (and economic) institutions. Yet until recently the overwhelming share of intellectual effort in political economy, if not always new institutional economics, was devoted to the study of mature democracies. This imbalance has begun to be reversed, and with vigor. Much of the contemporary literature on nondemocracy falls into two broad areas of inquiry: a) the analysis of formal institutions such as elections, parties, and legislatures, and b) the study of autocratic control, typically through the manipulation of beliefs. Scholars of NIE will recognize in this characterization a familiar divide between formal institutions, on the one hand, and social norms and beliefs, on the other. From my perspective, the most promising opportunities for research lie in a truly *comparative* analysis of the formal institutions of nondemocracy and the study of how these institutions interact with social norms and practices.

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Economists and political scientists rightly celebrate Douglass North and Barry Weingast's work on the Glorious Revolution of 1688 (North and Weingast 1989) as a seminal contribution to the analysis of institutions and a keystone in the intellectual edifice of the New Institutional Economics (NIE). Yet North and Weingast's work is important in another sense—as one of the first studies of nondemocratic politics to employ theoretical perspectives central to modern social science in general and NIE in particular.<sup>1</sup> From that early example, the study of nondemocracy has developed in recent years as a coherent field in political science (under the rubric of comparative politics) and economics (as an important part of political economy).

Much of the contemporary literature on nondemocracy falls into two broad areas of inquiry: a) the analysis of formal institutions such as elections, parties, and legislatures, and b) the study of autocratic control, typically through the manipulation of beliefs. Scholars of NIE will recognize in this characterization a familiar divide between formal institutions, on the one hand, and social norms and beliefs, on the other (e.g., Ménard and Shirley 2014).<sup>2</sup> In this chapter, I discuss these two areas in turn, beginning in each case with a brief survey of existing literature before turning to the research frontier and opportunities for future work.

## **Autocratic Institutions**

*What have we learned?*

"Nondemocracy" is not a regime type but a residual category: by definition, any regime that is not a democracy is a nondemocracy.<sup>3</sup> This excessively broad category includes Bismarck's Germany, Nazi Germany, the Soviet Union, Chile under Pinochet, Mexico under the PRI, and Baathist Iraq, among many other examples. It is not immediately obvious that there can or should be a common theoretical framework to explain the nature of institutions in such a diverse set of regime types.

Confronted with this heterogeneity, scholars often restrict attention to autocratic regimes with a common set of characteristics. Levitsky and Way (2010), for example, elucidate the logic of "competitive authoritarianism," that is, autocracies that hold but nonetheless manipulate multiparty elections. At the same time, and very much in the spirit of NIE, they seek to identify the functions served by autocratic institutions, even as they recognize that those functions may be of more value in some settings than in others.

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<sup>1</sup> I use nondemocracy, autocracy, and dictatorship as synonyms.

<sup>2</sup> This distinction also closely tracks Svoboda's (2012) division of the logic of autocratic survival into the "problem of authoritarian power-sharing" and the "problem of authoritarian control."

<sup>3</sup> Coppedge et al. (2008) use principal components analysis to demonstrate that the most commonly used indicators of democracy (e.g., Freedom House and Polity) capture variation along the two dimensions of "polyarchy" identified by Dahl (1971): contestation and inclusiveness. Existing measures of regime type thus implicitly identify a nondemocracy as a regime that lacks either contestation or inclusiveness.

This approach has yielded a number of insights. Models of autocratic elections, for example, illustrate elections' value to the ruler in a) signaling strength to those who might otherwise fail to support the regime, and b) gathering information about the regime's popularity.<sup>4</sup> From this perspective, the function of autocratic elections is not to aggregate preferences but to manipulate the flow of information up and down agency chains. Similarly, models of parties and legislatures show how these institutions enable credible commitments—witness the constitutional arrangements that emerged from England's Glorious Revolution—and serve to co-opt the opposition.

In exploring these questions, scholars of nondemocracy have engaged in a frequently useful dialogue between theory and empirics. Consider, for example, the theory that autocratic legislatures serve as a mechanism to co-opt the political opposition. This argument has its roots in the empirical observation that autocracies with legislatures live longer (Boix and Svobik 2013). Theoretical work suggests that legislatures play this role by co-opting potentially dangerous social groups or elites—for example, by providing a forum for bargaining and thereby reducing political transaction costs (Gandhi 2008) or by structuring intertemporal incentives to encourage sunk political investments (Svobik 2012). That work, in turn, has prompted renewed empirical inquiry, as scholars examine the behavior of authoritarian legislators to validate, support, and refine the co-optation thesis (e.g., Malesky and Schuler 2010; Manion 2015; Reuter and Robertson 2015).

### *What's next?*

Of the two broad areas of inquiry discussed in this essay—the analysis of formal institutions and the study of autocratic control—the first is the most developed. Nonetheless, the literature leaves a number of interesting questions on the table.

Existing work helps us to understand why autocracies are frequently populated by superficially democratic institutions such as elections and legislatures, but it doesn't say enough about why we observe *these* institutions in some autocracies and *those* in others. There is a story in the literature to support nearly any institutional arrangement one might observe in a dictatorship; we need a better understanding of why autocrats choose one set of formal institutions over another. Or any institutions whatsoever—as Peter Lorentzen has shown, autocrats do not need competitive elections to gauge discontent; they can observe the level of public protest instead (Lorentzen 2013).

From an NIE perspective, the key question would seem to be the relative ability of various institutions to reduce transaction costs. But how should we measure *political* transaction costs? One approach is to attempt to replicate institutional environments in the laboratory, where

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<sup>4</sup> This distinction is due to Little (2014). For a comprehensive survey of formal models of nondemocracy, see Gehlbach, Sonin, and Svobik (2016).

transaction costs such as commitment problems can be easily manipulated (e.g., Galiani, Torrens, and Yanguas 2014). The external validity of such experiments, however, would seem to rely on a better understanding than we currently have of the mapping from stylized institutional abstractions to the actual institutions that populate autocratic regimes.

At an even more fundamental level, it is not always clear if autocratic institutions are substitutes or complements for each other. As an empirical matter, institutions often appear in clusters, as when institutionalized ruling parties accompany legislatures. Why this should be the case is not immediately obvious. Parties and legislatures share at least one rationale for their existence: to create capacity for collective action among supporters and so discourage the ruler from expropriating those whose effort he desires (compare Gehlbach and Keefer 2011 and Myerson 2008).<sup>5</sup> Why does the autocrat need both?

Investigation of such questions may benefit from a more historical perspective than the existing literature tends to adopt. Beyond competitive authoritarianism, for example, perhaps the best conceptualized and most understood class of autocracies is the classical socialist system (Kornai 1992). Indeed, the linkages between the economy and the polity are better understood for the socialist system than for any other autocratic regime type. Yet even those scholars who focus on nondemocracy through the lens of the Russian experience (present company included) tend to focus on the postcommunist, not communist, period. If theories of institutional economics can be built on the investigation of fires caused by sparks from steam engines (Coase 1960), even as these were becoming relics of a bygone age, certainly the study of nondemocracy can benefit from light thrown on now-extinct dictatorships. I return to this theme in the following section.

## **Autocratic Control**

*What have we learned?*

If winning elections is the primary objective for democratic politicians (Downs 1957), survival is that for dictators. Roughly speaking, autocratic rulers have two means of holding onto power. First, they can repress those who would otherwise be inclined to remove them. Second, they can manipulate the beliefs of those same individuals—beliefs about the ruler's type, for example, or his popularity—so that they have no desire to remove them. As Guriev and Treisman (2016) observe, contemporary dictators typical rely more on the latter strategy than the former. Accordingly, theoretical and empirical work on autocratic control has focused primarily on the ways in which autocrats can manipulate information to their advantage.

Semi-competitive elections, discussed above as a key institutional feature of many nondemocracies, also fall under the rubric of information control. Autocrats, for example, may manipulate election outcomes to encourage agents to believe that the ruler's hold on power is

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<sup>5</sup> Myerson refers to a "court" or "council," which seems to correspond to a legislature in most contemporary autocracies.

secure—a necessary condition to encourage bureaucratic efforts in many settings (Gehlbach and Simpser 2015). But the primary means by which dictators manipulate information is through the media. As Gehlbach and Sonin (2014) show, such manipulation can occur through either state-owned or private media. Whether an autocrat chooses to "make" or "buy" media bias depends on the transaction costs associated with compensating private media for adopting a pro-government line (by assumption, pro-government bias results in lost viewership) and their interaction with such features of the political-economic environment as the size of the advertising market (lost viewership is more costly when the advertising market is large).

Empirical work on media in autocracies has uncovered a surprising range of motivations and strategies. Chinese censors apparently ban anything that smacks of collective action, for example, but appear quite willing to allow criticism of the Party and its policies (King, Pan, and Roberts 2013). Party officials in China live a second life as internet trolls—not to win arguments online but to distract social-media users from sensitive topics (King, Pan, and Roberts 2017).

In principle, citizens of nondemocratic countries might correct for bias in the information they consume online and through print and broadcast media. In practice, even perfect Bayesians can be persuaded by biased reports under the right conditions (Kamenica and Gentzkow 2011); cognitive bias can further encourage false beliefs (North 2005). However individuals consume information, media control can be effective: Adena et al. (2015) show, for example, that radio played a key role in the rise and rule of the Nazi Party in Germany.

### *What's next?*

The study of information control in autocracies is one of the most dynamic areas in political science and economics today. And yet, much of this research feels geographically bounded. Reading the empirical literature, one does not always have a good sense of where in the parameter space we are. Why state media here and co-opted private media there? Why Russian bots but a Great Firewall of China? Just as we need a comparative analysis of institutions in autocratic regimes, we need a better understanding of why autocrats choose the strategies of information control that they do.

From a theoretical perspective, the papers discussed above go some way toward addressing these issues, but many puzzles remain. How do repression and information control interact, for example? Gehlbach and Sonin (2014) leave this issue entirely to the side—repression is not a choice variable in their model—whereas repression is off the equilibrium path in Guriev and Treisman (2017). Yet a bit of reflection suggests that the most repressive regimes, such as Nazi Germany and the Soviet Union under Stalin, also invested heavily in propaganda (even if not always effectively: see Belodubrovskaya 2017). We need to know more about the interaction between these two modes of autocratic control.

A related point is that autocrats survive not just through their own actions but through those of the numerous individuals who make up the polity—something that Václav Havel understood

when he wrote that "individuals confirm the system, fulfill the system, make the system, *are* the system" (Havel 1992, 136). Kuran (1991) encouraged social scientists to understand the role of "preference falsification" in regime survival, but the phenomenon is much broader. Patterns of everyday collaboration and resistance—what Scott (1985) calls the "weapons of the weak"—are an integral part of the institutional matrix of nondemocratic regimes. Our understanding of such practices, and especially how they interact with the formal institutions of autocracy discussed above, is in its infancy.

A focus on social norms and practices can illuminate not only the mechanisms of autocratic rule, but also threats to democratic survival. Just as autocracy is supported through quotidian acts of collaboration, so democracy survives through regular investments in the democratic process. In either case, individuals' willingness to make those investments may depend on their beliefs about the efficacy of the system, with those beliefs in turn determined by individuals' investments—what Bénabou and Tirole (2006) call in another context "politico-ideological equilibrium." Erosion in the beliefs that support a political system can thus be the canary in the coal mine that signals possible regime collapse (Foa and Mounk 2016).

As they seek to uncover the everyday practices that support various forms of nondemocracy, scholars of autocracy would do well to remember Elinor Ostrom's example: anthropological fieldwork is a complement to applied game theory and econometrics. Care must obviously be taken in nondemocratic societies, many of which will be difficult for outsiders to penetrate. Here, as with the study of institutions more generally, the sharpest insights may be drawn by those who are from the countries that they study.

## **Conclusions**

The vast majority of the world's population has always had limited access to political (and economic) institutions. This is so apparently natural that North, Wallace, and Weingast (2009) refer to such societies as "natural states." Yet until recently the overwhelming share of intellectual effort in political economy, if not always NIE, was devoted to the study of mature democracies.

This imbalance has begun to be reversed, and with vigor. The study of nondemocracy is today one of the most vibrant areas of political science and economics, with unusual collaboration between the two disciplines. Scholars entering the field have a diversity of tools and theoretical perspectives at their disposal, a base on which to build, and—not least—a large set of open questions, including those discussed above. From my perspective, the most promising opportunities lie in a truly *comparative* analysis of the formal institutions of nondemocracy and the study of how these institutions interact with social norms and practices.

What is next for the study of nondemocracy? A lot!

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