Chiu Ming Abraham Tsang

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Erkan Gunes

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Critical Review of “Political Regimes and Economic Growth”

Summary of main arguments

For the first part of the paper, the authors discuss what previous scholars think of the effect of democracy in economic growth. There are 2 general opinions on it, the first one being it hinders, and the second one being it fosters. For the first opinion, the authors suggest that democracy leads to demands for immediate consumption, thus taking away the resources for investment. However, they authors argue that there are multiple assumptions with such opinion. First, the poor people have a higher tendency to consume. Second, the model of growth is due to the increase of physical/financial capital instead of human capital. Third, dictators are trying to build better countries. Another argument against democracy is that state must have autonomy to have a positive economic performance. Again, assumptions are made. First, the state has a role to make economic development more efficiently. Second, the state has to have no pressure from anyone to do it. Third, the state wants to do it. For the second opinion, the authors show that dictators are predatory towards society, thus making the country inefficient, democracy is the opposite. The assumptions are very weak for democracy, first, it assumes there is perfect information among voters, then, there is perfect competition among parties, finally, there is perfect leader in the office.

For the second part of the paper, the authors present statistical evidence on how democracy affect economic growth. The findings are not conclusive, however.

For the third part of the paper, the authors suggest why the previous statistical evidence are not conclusive. They suggest that the research design to conduct upon is extremely complex, there are 3 main unknowns for this. First, no one has any idea how economic development helps democracy. Second, the durability of regimes is not black and white for both democracy and dictatorship. Third, the selection of sample is also a problem as there is no easy way to compare countries.

Where the work fits within the literature of the political economy of development

Considering that the paper talks about how democracy helps or hinders economic growth, it would be in the category of democracy vs dictatorship, specifically on economic development. The article can also be the starting point of data analysis in political economy as it is inconclusive, thus raises questions on measuring the economic performance among different regimes.

Strengths of the authors’ arguments

The authors are not bias it seems, as there is no personal opinion when presenting the ideas of different authors. The way they do it is presenting a quote or an idea from different authors, then provide more explanation on it. Their own opinion is reserved for the cause and effect on specific details, which is excellent, because in order for opinions to be as accurate as possible, the issue it is on should be as tiny and specific as possible.

They are also very humble when it comes to the conclusion, they understand that they are limited in researching the topic. So they just out right say how little they know. They don’t try to hide the fact that they don’t know much even after reviewing the 18 studies, and various scholars from different fields.

Weaknesses of the authors’ arguments

The authors fail to give concrete metrics for evaluating the regime elements on economic growth, thus, fail to do data analysis to give a more substantial conclusion. The conclusion does not have to be made in this paper necessarily, as it might take plenty of effort and resources to do so. However, providing the right metrics would provide future scholars a way to conduct the analysis. Giving a good start to other scholars is crucial for further discoveries on the field.

They also have not considered the entire environment outside of the individual. Society does not just consist of regime, it also consists of culture, location, ideas, etc. Perhaps there is more to it than just politics, the authors however, do not include such areas for room to discuss.