7

Authoritarian Survival, Resilience, and the Selectorate Theory

Mary Gallagher and Jonathan K. Hanson

In this chapter, we delve into two of the key questions that Dimitrov (Chapter 1) argues are central to a theory of communist resilience. First, what is the basis of the rule of communist regimes, and how does it change over time? Second, why do some regimes collapse while others survive? As a framework for this analysis, we draw upon the selectorate theory as set forward in the *Logic of Political Survival* (*LPS*) by Bueno de Mesquita et al.[1] and later amended by Bueno de Mesquita and Smith.[2] This theory is presented as a parsimonious explanation for the survival of rulers, authoritarian and otherwise, based on key characteristics of a country's institutions for selecting a ruler. As such, it is a useful point of reference for evaluating many of the arguments raised in this volume. If the theory's predictions are accurate, a more narrow theory of communist resilience is unnecessary. We find, however, that the theory cannot explain the divergent outcomes of communist regimes.

The crux of the matter is that the selectorate theory predicts that outcomes in communist countries should resemble the outcome in North Korea: highly repressive rule by a narrow elite, unaccountable to the mass of citizens and offering little improvement in general welfare. The theory is thus unable to provide an adequate explanation for authoritarian rulers who mix political repression and growth-generating public goods, producing resilient authoritarian regimes buttressed by robust economic performance. Two of the five surviving communist regimes, China and Vietnam, fit this description, and the Lao People's Revolutionary Party appears intent upon pursuing a similar strategy.

Several decades ago, we might have described the Soviet Union and other European communist regimes using similar terms. As Dimitrov (Chapter 10)

[1] Bruce Bueno de Mesquita, Alastair Smith, Randolph M. Siverson, and James D. Morrow, *The Logic of Political Survival* (Cambridge, MA: MIT Press, 2003).

[2] Bruce Bueno de Mesquita and Alastair Smith, "Political Survival and Endogenous Institutional Change," *Comparative Political Studies* 42:2 (2009), 167–197.

argues, however, the stability of these regimes was performance based. As long as they could fulfill their social contract, the regimes remained resilient. When lack of growth made the provision of social spending unsustainable, these regimes were weakened and eventually collapsed. Yet, Cuba and North Korea survived severe economic challenges in the 1990s. A theory of communist resilience should be able to explain these divergent outcomes.

We argue that both the shortcomings of the selectorate theory and insights regarding the divergence in outcomes across communist regimes can be revealed if we think in general terms about authoritarian rule as a balancing act involving the supply of carrots and sticks.[3] Carrots are measures intended to buy loyalty or acquiescence, while sticks are repressive measures that raise the costs of collective action against the ruler. It has become common in the growing literature on authoritarian politics to describe rulers' policy choices using some formulation of this dichotomy.[4] The relative costs of these measures depend upon country context. Accordingly, the optimal combination of carrots and sticks for survival of the ruler varies across cases and over time.

Additionally, we find it useful to expand the analysis to include the capitalist developmental states of East Asia. In terms of the selectorate theory, these cases are an important test. They make up some of the fastest growing economies in the post–World War II era, the kind of outcome that is predicted to appear only when rulers are accountable to broad coalitions. The rise of East Asian economic and political power began with Japan, and it has continued nearly unabated with the subsequent rapid development of South Korea, Taiwan, Singapore, and Hong Kong. Since the 1980s, these capitalist economies have been joined by the reforming Asian socialist states, China and Vietnam, with both achieving high levels of economic growth, large reductions in poverty, and vastly increased integration into the global economy. Even if these countries are mere outliers, which we do not believe to be the case, the region as a whole should be examined for institutional differences that allowed these regimes to maintain high rates of economic growth despite domination of politics by a narrow elite.

Including general examples of authoritarian resilience in our analysis permits insight into the origins of communist resilience and collapse. The successful and adaptive resilience of China and Vietnam appears to have more in common with the developmental path of capitalist autocracies in the same region than with the other surviving communist states of North Korea and Cuba. The *resilience* of the Vietnamese and Chinese Communist Parties may be explained by reasons that

[3] Mary Gallagher and Jonathan K. Hanson, "Coalitions, Carrots, and Sticks: Economic Inequality and Authoritarian States," *PS: Political Science & Politics* 42:4 (2009), 667–672.

[4] For examples, see Ronald Wintrobe, *The Political Economy of Dictatorship* (Cambridge: Cambridge University Press, 1998); Barbara Geddes, "What Do We Know about Democratization after Twenty Years?" *Annual Review of Political Science* 2:1 (1999), 115–144; and Jennifer Gandhi, *Political Institutions under Dictatorship* (Cambridge: Cambridge University Press, 2008).

do not extend to the *survival* of the North Korean and Cuban regimes.[5] In other words, we make a distinction between regime resilience and survival. Survival is simply a matter of maintaining power over an extended period. Resilient regimes, however, not only survive but also thrive and adapt while fostering the growth of the national military and economic power. They remain the unchallenged authority during periods of significant social and economic change. Kellee S. Tsai (Chapter 8) also focuses on this ability of the Chinese state to adapt to new social and economic realities through reliance on informal institutions that incorporated into the Chinese Communist Party a revived private entrepreneurial class.

Examination of these cases reveals not their idiosyncrasies but rather general problems in the selectorate theory's analysis of authoritarian political survival. Two interrelated problems stand out. First, the selectorate theory, even as modified by Bueno de Mesquita and Smith, deals inadequately with the possibility of a challenge from the unenfranchised, those who are outside the selectorate. In particular, the theory imposes a limited range of policy options upon authoritarian rulers involving few carrots and many sticks. Second, if we part with the assumption of the *LPS* that members of the selectorate have homogeneous preferences, it becomes clear that the composition of the ruling coalition is at least as important as its size. Narrow ruling coalitions are fully compatible with rapid development, depending on the preferences of those in the coalition. In the East Asian capitalist developmental states, as well as China and Vietnam, these alliances fostered the provision of public goods despite the exclusion of the popular sector from substantive political power.

The general structure of this chapter is as follows. The selectorate theory is described more fully in the first section. The subsequent section describes the two shortcomings of the selectorate theory in greater detail. The third section draws evidence from the East Asian cases to underscore the importance of accounting for the preferences of the unenfranchised in the ruler's decision-making calculus as well as the composition of the selectorate. The final section concludes.

THE SELECTORATE THEORY

The selectorate theory connects a polity's institutions for selecting rulers to the policy choices rulers make and their prospects for survival, and it describes these selection institutions in the most skeletal terms possible. The actors in the formal model presented in *LPS* include the members of the selectorate (S), a ruler, and a challenger. The unenfranchised, residents of the polity who are not part of the selectorate, appear in the model only to the extent that rulers and

[5] It is unclear whether Laos falls into the first category of resilient states or the second category of states that have merely survived. The Laotian leadership seems to be attempting to shift its survival strategy through marketizing reforms, following the models of China and Vietnam. Additionally, as Dimitrov notes (Chap. 1), there are some signs that Cuba is doing the same since 2011.

challengers must take their work-leisure trade-off into consideration when setting the tax rate.

In every polity, regardless of its particular institutional arrangements, there exists a subset of the population "whose endowments include the qualities or characteristics institutionally required to choose the government's leadership and necessary for gaining access to private benefits doled out by the government's leadership."[6] Typical characteristics that might serve as criteria for inclusion in this selectorate, or exclusion from it, include the following: personal origin and lineage; special skills, proficiency, or knowledge; wealth; and gender or age. Members of the selectorate derive utility from public goods, private goods, after-tax income from labor, and leisure. Notably, members of the selectorate are assumed to share identical preferences with respect to these items. Their choice of support for the ruler or challenger, as well as their work-leisure allocation, depend on the package of goods each offers, as well as the expected tax rate.

The winning coalition (W) is the "subset of the selectorate of sufficient size such that the subset's support endows the leadership with political power over the remainder of the selectorate as well as over the unenfranchised members of society."[7] What constitutes a "sufficient" size varies according to a country's particular institutional arrangements. Even across democracies with full franchise, for example, differences in electoral rules create different thresholds for winning office and thus winning coalitions of different size.

First and foremost, rulers desire power and gain utility from any government revenues not spent on either public or private goods. Accordingly, they offer a tax rate and a package of public and private goods just attractive enough to match the best offer of the challenger and to win the support of a coalition of size W, retaining as much revenue as possible for themselves.

A key assumption of the model is that the cost of delivering private goods to the members of the winning coalition is proportional to coalition size. When winning coalitions are small, the least costly method of buying the support of the coalition is with private goods. As W increases, however, private goods become expensive relative to public goods, and rulers are induced to shift their allocation of goods accordingly. Since public goods by nature flow to all members of the polity, a large W produces greater overall welfare. In the empirical section of *LPS*, Bueno de Mesquita et al. find that W is associated with higher levels of public spending on education and health care, higher rates of childhood immunizations, lower rates of illiteracy, higher life expectancy, greater access to clean water, and faster rates of economic growth. Crucially, however, since public goods flow to all citizens, the benefits of membership in the ruler's coalition decline. The position of rulers thus becomes increasingly tenuous as W becomes larger.

Rulers are in an advantageous position when W is small relative to S. As Bueno de Mesquita et al. state, "Leaders survive longest when they depend on a

[6] Bueno de Mesquita et al., *Logic of Political Survival*, 42.
[7] Ibid., 51.

small coalition and a large selectorate. They also do least under those conditions to promote the well-being of most people living under their control."[8] In this scenario, members of the winning coalition are the fortunate few who receive private goods, and the probability is low that they will remain so fortunate should a challenger gain power. With no incentive to defect from the ruler's coalition, they remain loyal.

Measurement of S and W across a large sample of countries is difficult. The data available for this purpose are far from ideal, leading to the use of index variables that the authors themselves describe as crude. These indexes are created using general characteristics of political systems that are assumed to be correlated with the sizes of the selectorate and winning coalition, but they are also highly correlated with other important concepts, such as the level of political competition and the level of political rights. The authors' statistical efforts to separate the effects of S and W from measures of these other concepts have drawn criticism.[9] Hanson, looking at the interrelationship of W and ethnic heterogeneity, finds only weak and inconsistent evidence that W matters for public goods delivery in any way that is not already captured by typical measures of political rights and political competition.[10]

Accordingly, separating the effects of W, as measured, from the effects of political competition and political rights is quite difficult. Care should be taken to avoid the assumption that the size of the winning coalition, per se, is responsible for any observed statistical correlations. Skepticism over the statistical findings in the book is strong. As Clarke and Stone, who present a detailed analysis of the statistical findings in the *LPS*, conclude:

> *The Logic of Political Survival* makes the arresting claim that it has isolated the key mechanism by which democracy generates its benefits, thereby resolving the debate between the advocates of institutions, behavior, and political culture. The empirical evidence, however, does not support this claim because the effects that they ascribe to coalition size are attributable to democracy.[11]

In response, the *LPS* authors admit that their original statistical tests were misspecified, but they present a new set of tests, which, it is claimed, correct these errors and support the original theory.[12] Given the measurement problems with W and S, we remain skeptical.

[8] Ibid., 329.

[9] Stephen Knack, "The Logic of Political Survival," *Journal of Economic Literature* 43:4 (2005), 1068–1070; Kevin A. Clarke and Randall W. Stone, "Democracy and the Logic of Political Survival," *American Political Science Review* 102:3 (2008), 387–392.

[10] Jonathan K. Hanson, "Political Institutions, Social Heterogeneity, and Development Outcomes," presented at the annual meeting of the Midwest Political Science Association, April 2007.

[11] Clarke and Stone, "Democracy and the Logic," 391.

[12] James D. Morrow, Bruce Bueno de Mesquita, Randolph M. Siverson, and Alastair Smith, "Retesting Selectorate Theory: Separating the Effects of *W* from Other Elements of Democracy," *American Political Science Review* 102:3 (2008), 393–400.

Nevertheless, like Clark and Stone, we agree that the model is a useful starting point, reducing the otherwise daunting range of regime types, governmental forms, and electoral systems to two key institutional characteristics. The benefits of such parsimony are potentially enormous. As with any model, however, simplification of reality is useful only to the extent that it does not distort its predictions in any systematic way. We find two aspects of the model problematic in this respect. The first is that the model forces an unrealistic policy choice on rulers with respect to dealing with the unenfranchised. The second is the assumption that all members of the selectorate have identical preferences, rendering the composition of the winning coalition irrelevant. These two potential shortcomings of the theory are discussed in the following section.

SHORTCOMINGS OF THE SELECTORATE THEORY

The Role of the Unenfranchised

The preferences of the unenfranchised have little role in the selectorate theory's core model, as presented in 2003. Their only source of power is to deny the ruler tax revenue by choosing "leisure" over work if the tax rate becomes too high. Provision of goods to the unenfranchised has no bearing on the ruler's political survival. In other words, the possibility of revolution does not exist in the model, thus permitting an unambiguous prediction that provision of public goods will be low in polities where winning coalitions are small.

Bueno de Mesquita and Smith amend the selectorate theory to incorporate revolutionary threats into the policymaking calculus of rulers and challengers. Their stated goal is to permit the possibility that "revolutionaries or subsets of the masses can be bought off by the ruling elite and for the possibility that such efforts will fail."[13] In the revised model, the unenfranchised revolt when doing so is expected to improve their welfare. This decision depends on the expected cost of the revolution, the expected policies of the revolutionary leaders once installed in office, and the level of public goods supplied by the current ruler. The mixture of carrots and sticks supplied by the ruler, in other words, helps determine whether revolution is worthwhile.

At first blush, then, it appears that the amended theory might permit a ruling strategy that combines repression with growth-oriented policies, thus broadening the range of predicted outcomes in communist regimes. Because of the particular definition of public goods in the model, however, this hope does not materialize.

There are two general categories of public goods in the selectorate theory. First, public goods enhance economic productivity by providing education, health care, and infrastructure. Second, public goods provide greater government transparency and a range of political freedoms, such as the freedoms of

[13] Bueno de Mesquita and Smith, *Political Survival*, 170.

speech and the press and assembly. This latter category is referred to as "core" public goods. In the model, the policy choice of rulers and challengers concerns only the aggregate level of public goods of all types. They do not distinguish between the two categories. Accordingly, the model rules out policy combinations in which rulers seek to provide welfare-enhancing economic growth in conjunction with repressive politics. In the selectorate theory, by assumption, providing carrots always means fewer sticks.

In the revised model, accordingly, the level of public goods provision remains a function of the size of the winning coalition. When W lies below a particular threshold, the optimal response of the rulers to revolutionary threat is to reduce public goods provision from the level that would otherwise be optimal in the absence of such a threat. In this case, the repressive effect of reducing core public goods reduces the probability of successful revolution enough that the expected welfare gains of successful revolution are outweighed by the certain costs of revolution. When W is sufficiently large, however, the optimal policy of rulers is expansion of public goods provision to reduce the expected payoff of revolution compared to the status quo. In this case, the welfare gains from public goods are sufficient such that revolution is not worth the cost despite the much greater probability of success.

In summary, the winning coalition size determines the optimal response to a revolutionary threat. This response involves low levels of public goods provision, with the associated repressive effects, for winning coalitions below a certain threshold and higher levels of public goods provision, with a politically liberalizing effect, for winning coalitions above that threshold. The model thus rules out an important range of policy responses that involve a combination of repression with measures to enhance economic welfare. We argue that a robust theory of autocratic resilience cannot exclude such critical cases.

In contrast to the *LPS*, other theories of autocratic behavior incorporate a trade-off between the costs of repression versus the provision of public goods. A calculus of this kind is theorized by Acemoglu and Robinson, among others, allowing for the character of small-coalition systems to vary more widely.[14] In *Economic Origins of Dictatorship and Democracy*, Acemoglu and Robinson examine specifically the problem of revolutionary threat from the unenfranchised.[15] They write, "The major constraint that faces those controlling political power in nondemocracy is a danger that those excluded from political power might attempt to gain political power or to overthrow those who are in control."[16] This "revolution constraint" affects the calculus of the leaders as they attempt to pursue policies that are in their sole benefit. If the revolution

[14] Daron Acemoglu and James A. Robinson, *Economic Origins of Dictatorship and Democracy* (Cambridge: Cambridge University Press, 2006).

[15] Acemoglu and Robinson, *Economic Origins of Dictatorship and Democracy*, use several terms to describe the politically unenfranchised, including "the poor," "the majority," and "the citizens."

[16] Acemoglu and Robinson, *Economic Origins of Dictatorship and Democracy*, 120.

constraint is sufficiently strong, leaders will compromise by shifting policies closer to the preferences of the unenfranchised citizens.

Acemoglu and Robinson's model of interaction between the elite and the majority thus goes beyond the arguments laid out in the *LPS* regarding the threat of revolutions and mass action. As discussed later, in the East Asian cases we find that the selectorate model is less flexible and thus cannot fully account for the rulers' actions.

Homogeneity of Preferences and the Composition of W

As stated previously, the members of the selectorate have identical utility functions and therefore share the same preferences with respect to public goods, private goods, and their work-leisure allocation. As a result, there are no constituencies within the selectorate for any particular policy mix. Selectors choose to support the ruler or challenger on the basis of which one offers the better overall package of goods. The mix of goods in this package is a function of the size of W rather than the preferences of the coalition members.

In this way, the selectorate theory is strikingly different from most theories that involve voting, or what is quasi-voting in this case. There is no median voter. There are no segments of the population with competing interests, such as capitalists and laborers or urban and rural residents. In terms of what they seek from the ruler, members of the winning coalition are fully interchangeable with members of the selectorate outside the winning coalition. Thus, the composition of the winning coalition does not matter. By assuming away differences in preferences over policies, the model assumes away politics itself.

Consider, for example, how this model differs from the one that appears in North's foundational work in the New Institutional Economics.[17] Like rulers in the selectorate theory, North's rulers always face rivals. This "competitive constraint" forces rulers to avoid offending powerful constituencies, leading them to "agree to a property rights structure favorable to those groups, regardless of its effects upon efficiency."[18] As a result, the property rights structure (i.e., policy mix) that maximizes the ruler's utility may conflict with the structure that maximizes economic growth. For North, it is not the size of the ruler's coalition that matters but its composition.

Nevertheless, the selectorate theory's assumption of homogeneous preferences could be a useful simplification of reality if there is a systematic link between the size of a ruler's coalition and the degree to which its demands are particularistic.[19] To the extent, however, that there exist cases where small winning

[17] Douglass C. North, *Structure and Change in Economic History* (New York: W. W. Norton, 1981).

[18] Ibid., 28.

[19] Recall that in the selectorate model this link is driven solely by assumptions concerning the relative prices of public and private goods as W becomes larger.

coalitions have preferences either for development-oriented policies or for policies that benefit themselves but have developmental side effects, abstracting away from the preferences leads to inaccurate predictions.

There are strong reasons to doubt a systematic linkage between coalition size and particularistic preferences. Empirically, the level of economic performance in small-coalition polities varies considerably. Using various methods of regime classification, for example, Almeida and Ferreira find that both the best and worst economic performances occur in authoritarian states.[20] Indeed, one of the more enduring puzzles in political economy is explaining why some dictators pursue developmental policies whereas others do not.[21] As Przeworski et al. write:

> Much of the appeal of dictatorships stems from the fact that at various moments they have seemed to offer "the best practice." The "tigers" have tended to be dictatorships. But are dictatorships necessarily tigers? The list of disasters generated by authoritarianism is long and tragic. . . . For every developmental miracle, there have been several dictatorships that have engaged in grandiose projects that have ended in ruin, or else dictatorships that have simply stolen and squandered.[22]

Some of the most prominent developmental miracles are among the cases discussed in this chapter. The Chinese case, in particular, represents a dictatorship that has produced both catastrophic developmental tragedy (the Great Leap Forward famine) and impressive developmental achievements under the rule of the same party. These cases illustrate why the composition of the winning coalition matters, particularly in small-coalition systems.

APPLICATION TO THE EAST ASIAN CASES

Figure 7.1 illustrates how the sizes S of W, as measured in the *LPS*, evolved over time in a set of East and Southeast Asian countries.[23] Also depicted in each figure is the level of real GDP per capita in year 2000 constant dollars from the Penn World Tables version 6.2.[24] Examination of these figures provides an indication

[20] Heitor Almeida and Daniel Ferreira, "Democracy and the Variability of Economic Performance," *Economics and Politics* 14:3 (2002), 225–257.

[21] Olson's "stationary bandit" is one noteworthy example: Mancur Olson, "Dictatorship, Democracy, and Development," *American Political Science Review* 87:3 (1993), 567–576.

[22] Adam Przeworski, Michael E. Alvarez, José Antonio Cheibub, and Fernando Limongi, *Democracy and Development: Political Institutions and Well-Being in the World, 1950–1990* (Cambridge: Cambridge University Press, 2000).

[23] W is a 0–1 index composed of four items: whether the regime is a civilian regime, whether the executive is competitively elected, whether recruitment of the executive is open (all members of the politically active population are eligible for selection), and whether there are stable and enduring political groups that compete for power. S is 0 when a polity has no legislature, .5 when it has a nonelected legislature, and 1 when it has a directly or indirectly elected legislature.

[24] Alan Heston, Robert Summers, and Bettina Aten, *Penn World Table Version 6.2* (Center for International Comparisons of Production, Income and Prices at the University of Pennsylvania, 2006), at http://pwt.econ.upenn.edu/php_site/pwt_index.php (accessed August 31, 2009).

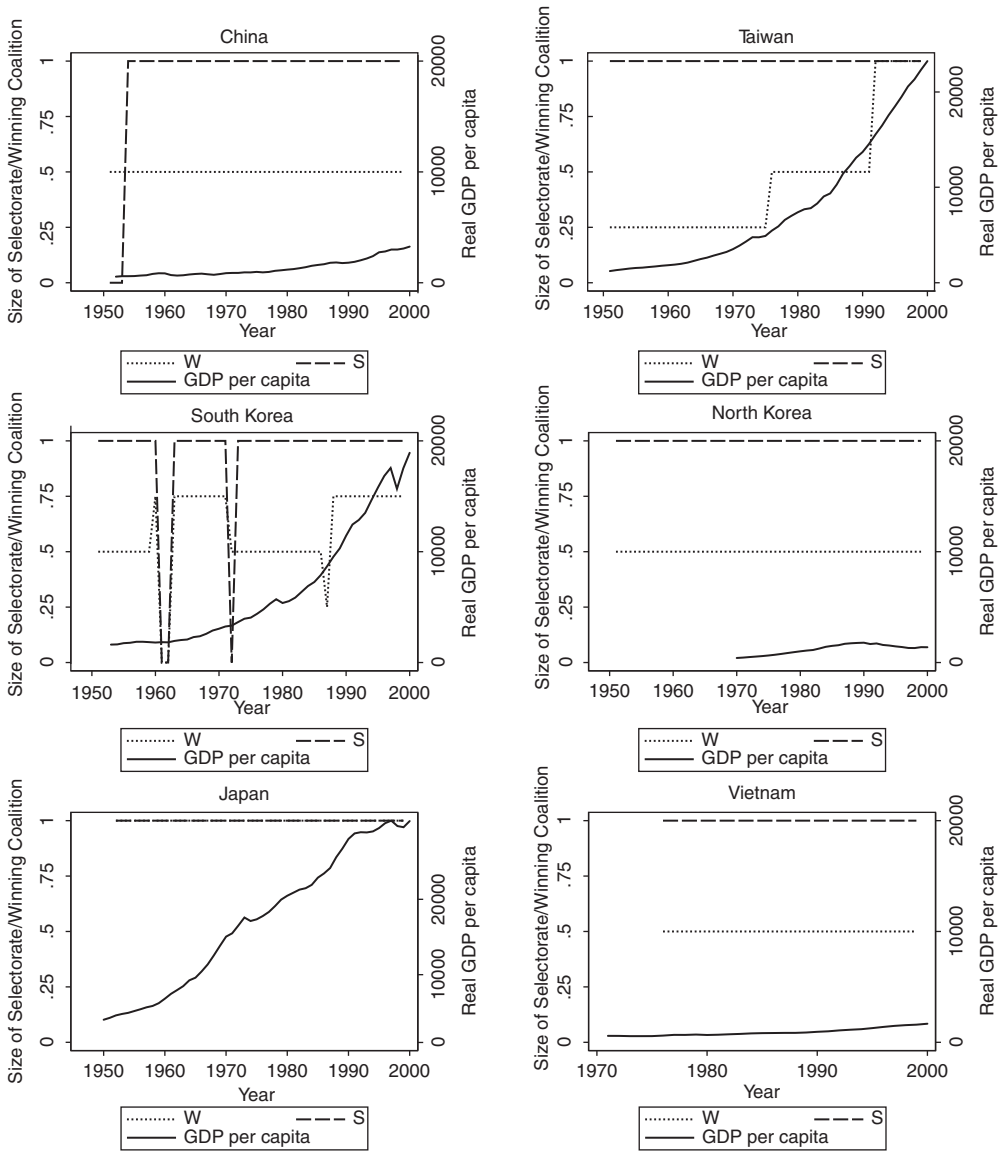

FIGURE 7.1. Size of Selectorate/Winning Coalition.

of the difficulty of establishing a causal connection between the size of W and economic growth.

From 1950 to 1970, for example, growth in the Philippines ought to have been considerably faster than growth in Taiwan or South Korea given the respective values of W in these countries, but in fact it was slower. Likewise, the values for W and S are identical and unchanging for China, Vietnam, and North Korea throughout nearly all the period covered by the available data. Yet,

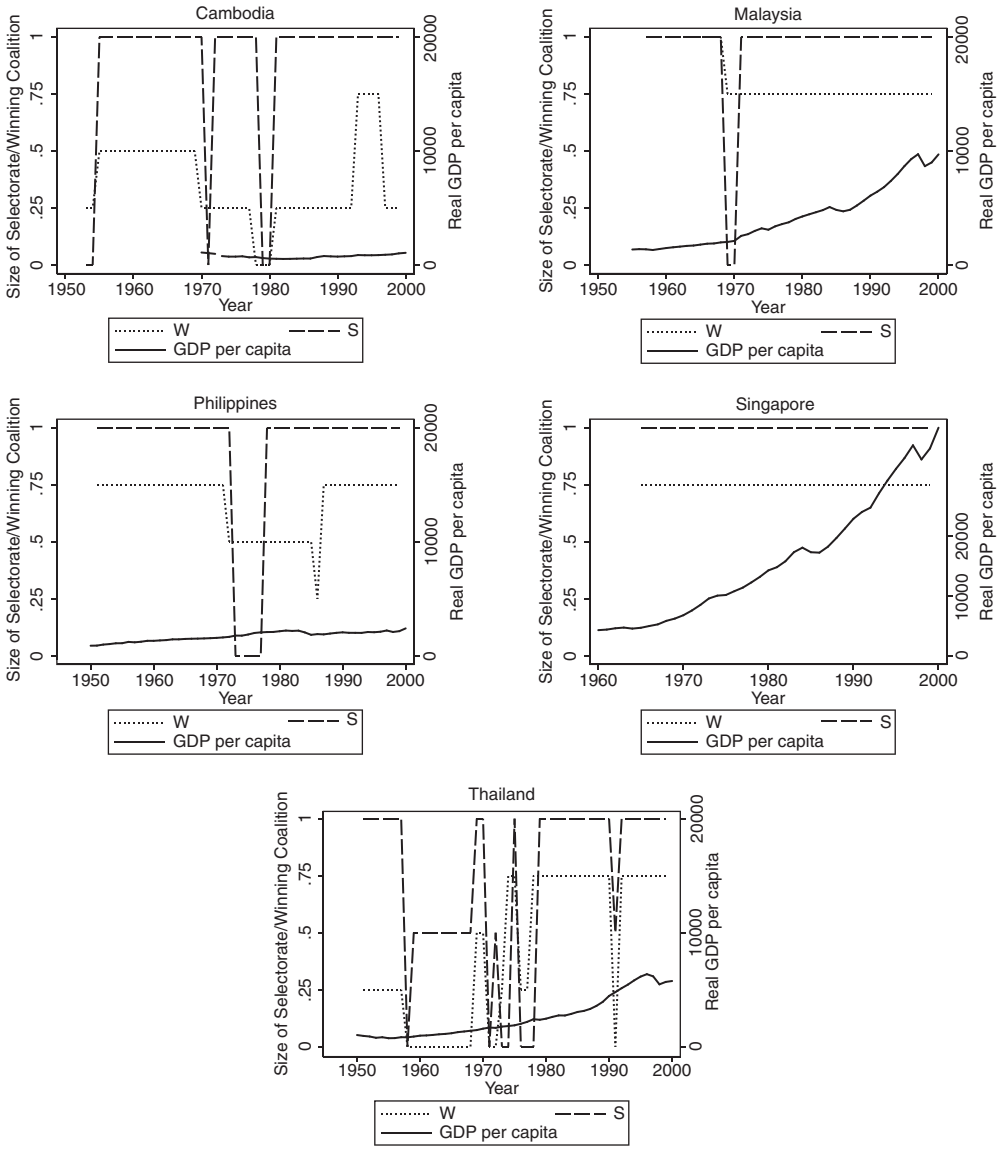

FIGURE 7.1. (*cont.*)

after decades of developmental failures, China began a period of rapid growth, whereas North Korea remained mired in a poverty trap. Vietnam's postreunification experience has been similar to that of China. Finally, growth in Thailand was quite rapid despite considerable instability in S and W as measured. It would be premature to use these cursory observations as grounds for dismissal of the selectorate theory, but they are useful for demonstrating why East Asia supplies several good test cases for the theory.

East Asian Capitalist Developmental States

The development trajectories of many states in East Asia belie the argument in the *LPS* that states with small winning coalitions will focus on provision of private goods to key supporters. In these countries, small ruling coalitions with developmental preferences fostered their survival in the face of internal and external threats through a combination of repression and policies that produced high rates of economic growth. These rulers reduced "core" public goods, in the *LPS* terminology, while increasing provision of other public goods. We argue that this mixture of sticks and carrots was facilitated by "Janus-faced" institutions that could deliver both.

In *State-Directed Development*, Kohli describes "cohesive-capitalist states" as characterized by a "narrow elite alliance between the state and capital," with centralized politics and tight control over labor.[25] Japan, South Korea, and Taiwan are archetypical of the cohesive-capitalist states in this framework. Their stunning rates of economic growth during the postwar period were fostered in large part by a close alliance of state and industrial interests that focused on economic transformation as an overriding national objective. Repression of the popular sector, especially labor, made these states "a paradise for big industrialists."[26] Yet, worker welfare did improve as these economies grew, and the project of industrialization received widespread support. In short, as Woo-Cumings writes, "the power of the developmental state grew both out of the barrel of the gun and its ability to convince the population of its political, economic, and moral mandate."[27]

None of these countries can be aptly described as having a large winning coalition during the early decades of its economic miracles. As Pempel contends, the ruling coalition in South Korea was either military dominated or under the domain of a single party, while Taiwan was "overtly authoritarian."[28] Even Japan, which has the highest-possible score on W as measured in *LPS* for the entire postwar period, has "nonetheless forged a tight conservative coalition that for most of the postwar period was also invulnerable to most mass politics."[29]

Mobilization for industrial development was a rational choice for leaders who faced myriad threats amid relative resource scarcity. In the post–World War II era, many East Asian states faced difficult political and economic environments. These constraints shaped the incentives and choices of the political elites, in particular by increasing the threat of political unrest and upheaval while

[25] Atul Kohli, *State-Directed Development: Political Power and Industrialization in the Global Periphery* (Cambridge: Cambridge University Press, 2004), 10.
[26] Meredith Woo-Cumings, ed., *The Developmental State* (Ithaca, NY: Cornell University Press, 1999), 17.
[27] Ibid., 20.
[28] T. J. Pempel, "The Developmental Regime in a Changing World Economy," in Meredith Woo-Cumings, ed., *The Developmental State* (Ithaca, NY: Cornell University Press, 1999), 166.
[29] Ibid.

decreasing the range of elite options. Scarce resources and limited territory circumscribed elite choices and room for maneuver. Doner, Ritchie, and Slater label this condition as "systemic vulnerability."[30] Although the populations in these countries were repressed by the authoritarian machinery of the regimes, the leaders in both pursued broad-based development, investment in infrastructure and education, and export-led industrial development.

These threats were not wholly internal. The communist regimes of North Korea and the People's Republic of China ruled over peoples and territories claimed by South Korea and Taiwan. In these countries, the communist-capitalist competition made famous by Khrushchev's exhortation that "we will bury you" was an intimate race between brethren. These constraints increased the importance of the unenfranchised to the elite. Politically, the threats of rebellion *and* invasion were front and center. Economically, resource scarcities limited other options available to states with large resource endowments such as oil. Like a hard-budget constraint, the geographic and geological challenges of Northeast Asia produced a gritty developmental success story of smart policies, delayed gratification, and resilient autocracy.

That Doner et al. focus on institutions that link the state to social actors is an important part of the story. The ability of these states to build and support institutions that facilitated repression and extraction (of labor) reduced the ability of social actors to organize autonomously, raising the cost of fomenting revolution. Provision of rapid economic growth with investment in education and infrastructure also reduced the benefits of political upheaval to those outside the formal political system (i.e., almost everyone).

Likewise, despite the simplifying assumptions and somewhat narrow focus in Acemoglu and Robinson's models, we can apply their logic of the "revolution constraint" on elite preferences to the empirical accounts of capitalist development in East Asia. The political and economic constraints already noted in post–World War II East Asia increased the threat of revolution (in all likelihood combined with external invasion), whereas the choices for economic policy were limited by scarce natural resources and poor populations. Policies that merely extracted existing resources would have been short-lived and meager for a self-centered elite; simple predation would have also increased the attractiveness of populist revolution for the majority.

In summary, the East Asian capitalist developmental states bear little resemblance to the large winning coalition polities described in the selectorate theory. Small winning coalitions are consistent with rapid economic growth under some circumstances. The outcome depends greatly on the preferences of the members of the winning coalition and the capacity of the state to carry out these preferences.

[30] Richard F. Doner, Bryan K. Ritchie, and Dan Slater, "Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective," *International Organization* 59:2 (2005), 327–361.

The Chinese Case

The case of China during the reform era has many similarities with the capitalist developmental states described previously. Since the death of Mao and the success of the economic reforms inaugurated in 1978, the preferences of the ruling coalition have shifted toward market-oriented policies. The Chinese regime has successfully combined rapid economic growth, significant reductions in poverty, fast-paced urbanization and industrialization, and integration with the global economy in trade and foreign direct investment inflows. Since the student movement of 1989 was brutally suppressed by the Chinese military, mass mobilization and challenges to regime rule have been few and easily snuffed out using media campaigns and carefully directed repression and imprisonment of key dissidents.

In the 1990s, China scholars followed the collapse of the Soviet Union with musings and debates on whether the Chinese empire would suffer the same fate.[31] We now see more and more articles that probe the Chinese body politic for its mystery of "authoritarian resilience."[32] Although China's political survival fits the logic of the *LPS* – tiny winning coalition and large selectorate – it is more difficult to explain the increases in public goods that have accompanied CCP rule within the confines of the theory. To do so, we need again to take into account the role of the unenfranchised and how the state is institutionally linked to social actors. These links allow the state to do what Acemoglu and Robinson predict under the "revolution constraint" – to provide public goods and to repress. The state should increase the benefits of the status quo while raising the costs of anti-regime mobilization. It may be that the real difference between successful autocracies (resilient autocracies) and breakdown is the relative strength and health of institutions that facilitate the efficient allocation of punishments and rewards.

Bueno de Mesquita and Downs tackle the Chinese case in a 2005 article in *Foreign Affairs*.[33] Tellingly, in explaining the success of the Chinese regime, the article makes no mention of the importance of the selectorate or the winning coalition. Rather, the authors focus on the ability of authoritarian regimes to distribute some public goods but not others efficiently. Resilient autocracies, like China, Vietnam, and other cases discussed here, provide the foundations of economic growth through public goods such as investments in education, infrastructure, and so forth, while holding back provision of key public goods that

[31] See Yasheng Huang, "Why China Will Not Collapse," *Foreign Policy*, no. 99 (1995), 54–68. See also Jack A. Goldstone, "The Coming Chinese Collapse," *Foreign Policy*, no. 99 (1995), 35–53. See also David S. G. Goodman and Gerald Segal, *China Deconstructs: Politics, Trade and Regionalism* (London: Routledge, 1994).

[32] Andrew J. Nathan, "Authoritarian Resilience," *Journal of Democracy* 14:1 (2003), 6–17. Also see Elizabeth J. Perry, "Studying Chinese Politics: Farewell to Revolution?" *China Journal*, no. 57 (2007), 1–22.

[33] Bruce Bueno de Mesquita and George W. Downs, "Development and Democracy," *Foreign Affairs* 84:5 (2005), 77.

would allow potential challengers to coordinate and mobilize. These include political rights, human rights, freedom of the press, and access to higher education.

This argument runs the danger of becoming a tautology of "repressive governments survive because they repress." However, the article avoids this danger by acknowledging what is ignored in the *LPS*: authoritarian governments have strong incentives to provide an array of goods to a wider part of the population because even those who have absolutely no say in policy or leadership selection are potential challengers to the regime's monopoly on power. Although the article does not explain why some regimes, like China, Singapore, and others, respond rationally to this incentive, it may be possible that most authoritarian regimes try to balance goods provision with repression but that only some, perhaps even only a few, have the institutional capacity to do so effectively.

As Geddes notes in her study of variation across authoritarian regimes, "single-party regimes survive in part because their institutional structures make it relatively easy for them to allow greater participation and popular influence on policy without giving up their dominant role in the political system."[34] Although she points mainly to electoral devices like legalized opposition parties, single-party regimes can also develop other effective institutions, including mass organizations like trade unions, corporatist business associations, government-owned NGOs (GONGOs), and parastatal organizations in neighborhoods, workplaces, and schools. China has used all of these and now also allows competitive elections of village leaders in the countryside. Elected village officials rule in tandem with an appointed communist party secretary. Tsai's research in Chapter 8 demonstrates how new formal institutions that incorporated important rising social actors (private entrepreneurs) were developed during the early reform period. These are not "coalitions" of broad-based support as Doner et al. argue for in the earlier cases of Korea, Taiwan, and Singapore; rather, they are efficient channels of goods provision and, when needed, strategic repression.

How these institutions delay the revolutionary crises laid out in Acemoglu and Robinson can be illustrated by one example. From 1997 to 2001, Chinese state-owned enterprises laid off more than 30 million people and employment figures for the urban public sector dropped dramatically. Many scholars and onlookers predicted a rising tide of unrest, labor mobilization, and political upheaval. This was not only because the scale of the layoffs was great but also because urban state workers formerly had been privileged members of society, enjoying lifetime employment, extensive welfare benefits, and high ideological status. Although strikes, labor disputes, and mass demonstrations did occur and continue to occur, we have seen only a handful of protests that have joined workers across workplaces and few incidences of labor mobilization that have crossed

[34] Geddes, "What Do We Know about Democratization after Twenty Years?"

regional boundaries.[35] Institutions including the socialist workplace *(danwei)*, the communist-run trade union, workplace-level communist party cells, local-level neighborhood committees, and street-level committees have all served the dual functions of repression and compensation. In many cases of mass unrest, striking workers have been compensated monetarily, with back wages and pension arrears, whereas labor activists and leaders have been arrested and imprisoned. Broad-based welfare programs including the minimum-income guarantee (*dibao*), unemployment insurance, and socialized pension funds have all been expanded, with massive increases in the number of urban citizens receiving income subsidies. The state's efficient use of these institutions to monitor and repress Chinese workers has been matched by a more benevolent form of co-optation and compensation.

Alongside the maintenance of significant repressive capacity, the Chinese regime has bolstered its strength through economic policies that have produced significant material benefits. These policies were not the result of changes in the size of the ruling coalition but instead emerged through a gradual process of change in the composition of the preferences of coalition members. Reformers built a coalition in support of market-oriented policies that both sustained their own power and also benefited the overall economy.

In the early 1980s as Deng Xiaoping began to implement the shift away from Maoist autarky and the planned economy, he sent dozens of communist party officials to the nearby East Asian capitalist economies, including South Korea, Japan, Hong Kong, and Singapore. The point was to observe how far China had fallen behind and how successful these smaller neighbors had become. But Deng's reformist strategy did not attempt a frontal assault on socialism; rather, reformist leaders at the top gradually shifted the composition of the selectorate to reflect those who benefited from reform and globalization. The formal political institutions have become more routinized and systematic, but, with the exception of the expansion of the standing committee of the Politburo from seven to nine members in 2002, there have been no dramatic changes in size of the selectorate, only in its composition.[36] As Abrami, Malesky, and Zheng point out in Chapter 9, China's political system is significantly more constrained and less accountable than the similar system in Vietnam. China's economic achievements are not the result of greater political liberalization at the top.

In *The Political Logic of Economic Reform*, Shirk provides a detailed study of the murky leadership selection process in China. She finds that leaders in the center used economic decentralization initiatives in the forms of central-provincial fiscal

[35] The strikes in foreign-invested enterprises in the spring of 2010 did cross regional boundaries. But these striking workers tended to be migrant workers from the countryside, newly hired into China's industrial miracle. The CCP's reaction included attempts to develop greater institutional ties to this new workforce, including more effective use of the party-run union and collective wage bargaining under the CCP's direction.

[36] The expansion of the Standing Committee may have been a compromise between the factions of the outgoing party secretary, Jiang Zemin, and the incoming leader, Hu Jintao, allowing both factions to gain crucial seats on the committee. In 2012, the number of seats reverted to seven.

contracts and profit contracting in state-owned enterprises to build their own constituencies among provincial officials. The lower-level officials benefited from the policy changes, providing a counterweight to opposition from the hard-liners and the central bureaucracy to some of the reform measures. A virtuous cycle developed, whereby economic reforms generated supporters for their perpetuation.

Yang offers a detailed critique of Shirk's description of the Chinese selectorate, arguing that Shirk neglects the influence of party elders and the military in the leadership selection process and focuses too much on economic policy at the expense of other policy arenas.[37] Yet these criticisms reinforce the argument of this chapter that careful attention to the composition of the selectorate and the preferences of those who comprise it is central to understanding policy outcomes. The debate among China specialists focuses mainly on defining the selectorate accurately and on determining how lower-level elites exercise power in a system where they are appointed by higher-ups in a semicompetitive process. Shirk argues that there is a system of "reciprocal accountability" in which those selected for membership on the Central Committee of the Chinese Communist Party then go on to exercise some degree of oversight and influence on the leaders in the Politburo. Although it is still unclear how this process operates, more attention to the composition of the Central Committee has become the norm in the study of Chinese politics.[38]

During the reform period, shifts in the composition of the Central Committee "selectorate" have been significant, reflecting the ability of key leaders, including Deng Xiaoping, to redirect policy through the gradual empowerment of provinces and provincial elites who had fallen out of favor during the Maoist era. Institutionally, the central CCP leadership was able to sustain reform-building efforts by building reformist goals into the cadre evaluation system and the nomenklatura system of elite appointment. As Whiting shows, during the reform era, the two main criteria for measuring local cadre success have been the rates of local economic growth and inward flows of foreign direct investment.[39]

By incentivizing the reform program in the system of cadre evaluation, reformist leaders also strengthened the bond between local officials and foreign

[37] Dali L. Yang, "Review: Governing China's Transition to the Market: Institutional Incentives, Politicians' Choices, and Unintended Outcomes," *World Politics* 48:3 (1996), 424–452.

[38] Xiaowei Zang, "The Fourteenth Central Committee of the CCP: Technocracy or Political Technocracy?" *Asian Survey* 33:8 (1993), 787–803; Li Cheng and Lynn White, "The Fifteenth Central Committee of the Chinese Communist Party: Full-Fledged Technocratic Leadership with Partial Control by Jiang Zemin," *Asian Survey* 38:3 (1998), 231–264; Victor Shih, Wei Shan, and Mingxing Liu, "The Central Committee, Past and Present: A Method of Quantifying Elite Biographies," in Allen Carlson, Mary Gallagher, Kenneth Lieberthal, and Melanie Manion, eds., *Contemporary Chinese Politics: New Sources, Methods and Field Strategies* (New York: Cambridge University Press, 2010), 51–68.

[39] Susan Whiting, "The Cadre Evaluation System at the Grass Roots: The Paradox of Party Rule," in Barry J. Naughton and Dali Yang, eds., *Holding China Together: Diversity and National Integration in the Post-Deng Era* (New York: Cambridge University Press, 2004), 101–119.

investors. Foreign investors, eager to take advantage of China's low labor costs and large internal markets, were met by equally eager local officials willing to bargain and compete for foreign investment into their regions.[40] These reformist policies not only strengthened the reformist faction at the top, but also built new reformist coalitions below as provincial leaders jumped onto the reform bandwagon.[41] The key was not to change the mechanisms of leadership selection or to change the size of the formal political elite, but rather to change the composition of the selectorate and to change the incentives of elites generally to favor reform.

The Chinese case fits the portrayal of autocratic survival as a complicated balancing act between measures that make opposing the ruler more costly and measures that reduce the expected gains of a successful overthrow. Since it does not account for this trade-off, the *LPS* cannot predict the outcomes we observe in China.

As Bernstein (Chapter 2) describes, a key contrast between the Chinese and Soviet economic reform efforts was that Gorbachev faced entrenched opposition within the party bureaucracy. Unlike Deng, he was unable to create pro-reform alliances with lower-level officials to shift the balance of power. He thus pursued political liberalization to increase the pressure for reform, but the pressures could not be contained. The state withdrew the sticks during a period when the carrots were few, and the regime collapsed.

The Vietnam case bears many similarities to the Chinese case. Economic reforms in Vietnam emerged in a piecemeal manner in response to the economic crisis that followed from attempts to impose centralized planning in the southern part of the country from 1976 to 1982. These reforms were not driven by the design of rulers at the center but instead were "pushed by the actions of individual communities and factories which spontaneously experimented on their own with various kinds of market-oriented solutions to the manifest failures of the planning system."[42] The emergence of a political coalition to make economic liberalization an official policy goal took time and a substantial amount of political maneuvering around vested interests. Even during the 1990s, policy change remained an incremental process. The Vietnamese case thus provides additional support for the notion that the composition of the selectorate is more important in determining the direction of policy change than its size.

Focus on the changing composition of the Vietnamese elite is centered around different types of analysis, including generational, factional, personalistic, and

[40] David Zweig, *Internationalizing China: Domestic Interests and Global Linkages* (Ithaca, NY: Cornell University Press, 2002). See also Mary E. Gallagher, *Contagious Capitalism: Globalization and the Politics of Labor in China* (Princeton, NJ: Princeton University Press, 2005).

[41] Dali Yang, *Beyond Beijing: Liberalization and the Regions in China* (London: Routledge, 1997).

[42] James Riedel and William S. Turley, "The Politics and Economics of Transition to an Open Market Economy in Viet Nam," OECD Working Paper No. 152, 1999.

ideological models of communist elite competition. Malesky examines a similar divide among the Vietnamese elite in the Central Committee.[43] Although Malesky shows that gerrymandering the division of provinces in Vietnam increased the size of the selectorate, the absolute size of the Central Committee is not relevant to his argument. Rather, Vietnamese reformist leaders divided provinces according to a political logic that created a greater proportion of reformist elite in the Central Committee. This diluted the power of those who continued to support the planned economy and the state sector at the expense of market reform and foreign investment.

CONCLUSION

The selectorate theory of Bueno de Mesquita et al. is an important and ambitious effort to reduce the wide variation in institutional forms into two simple factors and to use these factors as an explanation for a breathtaking range of outcomes, from economic growth to war and peace. Work of such scope is bound to provoke discussion and argument as various scholars test out these predictions in the areas of their expertise. By looking at the theory as an explanation for the resilience of autocratic regimes, we join this discussion. Although our work covers only a small set of countries, we believe that these cases nevertheless shed light on two key shortcomings of the theory and help explain the course of communist resilience.

It is difficult to imagine China's rulers' keeping the possibility of mass unrest far from their minds, and this possibility ensures that they use carrots as well as sticks to maintain their survival, leading to a regime that is resilient well beyond the expectations of many experts decades earlier. Although rulers of other countries (North Korea comes to mind) appear to find that a different mix of carrots and sticks ensures their survival, the same calculus is present. By making the size of the winning coalition the critical factor in their model and linking political repression to low levels of public good provision, Bueno de Mesquita et al. predict that all small-coalition polities are like North Korea rather than like China, South Korea, Taiwan, or Singapore. The analysis in this chapter suggests that a theory of autocratic resilience must go beyond the *LPS* in permitting rulers to respond to revolutionary threats with different combinations of carrots and sticks.

Likewise, the findings from the cases in this chapter lend support for the contention that the assumption of homogeneous preferences among the members of the selectorate leads to predictions that do not accord with real-world outcomes. The composition of the membership of the selectorate matters at least as much as its size. The East Asian capitalist developmental states established narrowly based winning coalitions that were consistent with rapid economic

[43] Edmund Malesky, "Gerrymandering – Vietnamese Style: Escaping the Partial Reform Equilibrium in a Nondemocratic Regime," *Journal of Politics* 71:1 (2009), 132–159.

growth. Additionally, as seen in China and Vietnam, dramatic changes in economic policy result from changes in the composition of the selectorate, rather than its size, and from political maneuverings that elevate some sets of preferences over others.

The implications for an explanation of the resilience of communist regimes are twofold. First, one factor that distinguishes resilient regimes from those that merely survive is the preferences of the ruling coalition. There exists an alignment between the personal interests of the members of the ruling coalition and the more encompassing interests of the society. By promoting the general welfare, rulers not only augment the strength of the regime, but also benefit themselves. In the Soviet Union, even though leaders at the top pursued economic reforms, the linkages between the desired reforms and the personal interests of stakeholders in the regime were few.

Second, regime resilience or survival appears to be predicated on the ability, given certain conditions, to maintain an optimal mixture of carrots and sticks. As noted previously, there are some general similarities between China during the reform era and the Soviet Union in its days of strength. For many decades, the Soviet model appeared to be very successful in promoting growth and general welfare in conjunction with repression. Over time, however, the underlying economic inefficiencies rendered the system unable to deliver continued economic success. The strategy of political liberalization as a means to promote economic reform removed repression as a means of maintaining the regime. With neither carrots nor sticks, the regime fell. In other cases, such as North Korea and Cuba, political repression and nationalism are sufficient to keep the regime alive despite severe economic constraints, but these regimes seem unlikely to adapt to change over time as have Vietnam and China.[44] These cases represent authoritarian survival, but not resilience.

The lesson of the Soviet collapse surely is not lost upon CCP leaders. Although the Chinese economy appears vibrant, the advent of serious economic troubles could prove very problematic for regime stability. The question then is whether the sticks will prove sufficient when the carrots become small and thin.

[44] Whether Cuba's recent shift in strategy will enable the regime to become resilient remains to be seen.