Political economists are fascinated with regime break-downs. Yet such breakdowns are rare: political regimes of all kinds survive most external shocks. Economic Shocks and Authoritarian Stability is a collection of case studies focused on modern nondemocracies’ ability to withstand external economic shocks, such as a currency devaluation, an oil price fall, or economic sanctions. The main question addressed by the collection is, What happens in an authoritarian regime when an external force strikes? With fewer resources, does a dictator shrink his support coalition or just feed them less? Would he offer policy concessions to the opposition or escalate repression? Would he allow more media freedom or double down on propaganda?

What is great about the book is that it is more than just a collection of cases. The country stories fit well and complement each other, creating an overarching argument about common patterns in authoritarian regimes. The cases not only cover a variety of authoritarian regimes but from the personalistic regime of Saddam Hussein in Iraq (chapter 1 by Lisa Blaydes) to the religious semidemocracy in Iran (chapter 3 by Kevan Harris), the chapters also talk to each other, looking for the common elements of authoritarian survival.

Though no study contains a formal model of rational choice focusing on institutions, such a model does exist in Acemoglu and Robinson’s paradigm of development. In a standard formal model within this paradigm, individual actors are rational, forward looking, and almost infinitely patient (e.g., Daron Acemoglu, Georgy Egorov, and Konstantin Sonin, “Dynamics and Stability of Constitutions, Coalitions, and Clubs,” American Economic Review, 102 [4], 2012; Acemoglu, Egorov, and Sonin, “Political Economy in a Changing World,” Journal of Political Economy, 123 [5], 2015). Transitions and paths do not matter, and the long-term equilibrium is stable in the sense that nothing can cause any changes save for external shocks. Economic Shocks and Authoritarian Stability’s approach is implicitly predicated on this paradigm: this is an environment in which external shocks are the main test for the stability of a regime. To a student of nondemocracy, the formal modelers’ focus on setups in which actors are either myopic, interested in tomorrow only, or, instead, very patient might seem limiting. In fact, this self-imposed constraint is well justified on substantive grounds. In any model, conditioning an argument on a path drastically increases the multitude of possible outcomes. To assume that rational actors are infinitely patient is to assume that they care about the final state only; this allows one to formulate testable predictions. In this book, these predictions are all about the dictators’ responses.

What happens when the amount of resources available to a dictator shrinks? In Bueno de Mesquita and coauthors’ selectorate model, the dictator should pay his support coalition more than potential challengers. A negative shock hurts both the incumbent and the prospective challengers: accordingly, the optimal response depends on relative changes in the available rents. If the dictator controls the rent, he might have to pay the old oligarchy
more for support. If not, he needs to let new players in; for example, through privatization and liberalization. Chapter 5 (Thomas Pepinsky) and chapter 9 (Sean Yom) illustrate this logic with responses to mid-1980s crises in Indonesia, Malaysia, and Jordan.

The regime response need not to be confined to redistribution of rents: dictators have a whole palette of survival strategies at their disposal. In chapter 4, Natalia Lamberova and Daniel Treisman describe the initial reaction of the Russian government to anti-Putin protests that followed the 2008–9 financial crisis as offering (limited) liberalization, before turning back to repression when it became clear that the regime had survived.

Two chapters dealing with China are especially telling on this score. China’s economy survived the shock of 2008–9 almost unscathed due largely to a massive stimulus program, which could not have been competitively implemented by a less efficient regime. The orderly transition of power took place between 2008, when Xi Jinping was designated as Hu Jintao’s successor, and 2012, when Xi become the general secretary of the Communist Party. However, the transition mechanism at the top that served the ruling party well for decades was effectively abolished by 2018. Chapter 6 (by Victor Shih) links the economic slowdown partly caused by the government’s response to 2008–9 to the political developments after 2012.

Chapter 7 (by Dan Slater) tells a similar story about Malaysia: the response to the crisis was effective, yet the cost was steep and the incumbent lost power within a few years. Importantly, the episodes in both China and Malaysia happened after decades of fast growth; basically, every growth theory says that it is harder to grow at later stages of development. In contrast, energy-dependent South Korea and Taiwan weathered the 1973 oil-price shock almost unscathed (chapter 8 by Joseph Wong). In those countries, the shock came at the growth stage when they were still able to use the resources of cheap labor and reap the fruits of technological backwardness.

At the same time, by documenting the extent of personal financial ties of the China Communist Party elite to major businesses, Victor Shih (in chapter 6) provides background material for an alternative explanation of the post-2012 transformation in Chinese politics, one that has nothing to do with economic shocks. Decades of uninterrupted and fast growth rates resulted in a situation in which the broad elite had amassed enormous wealth. By 2020, top party bosses have become the de facto leaders of mighty financial agglomerates. Their financial might gives them unprecedented staying power even if the leader of the clan loses a position of power. Naturally, such an oligarchy is uninterested in power transitions within a party dictatorship. Instead, their preference might be for a twentieth-century Latin America’s polity, where top leaders have fallen but top families have endured. If this is true, then the rise of Xi precedes power stagnation.

Chapter 2 (by Martin Dimitrov) compares Maoist China’s reaction to the country’s break with its major trade partner and technology provider (the Soviet Union) in the late 1950s to that of other authoritarian regimes (Bulgaria, East Germany, and Cuba) after similar shocks. The difference lies in the existence of a “welfare dictatorship,” a system in which a narrow elite maintains control by effectively buying the support of the population at large with stable access to jobs, affordable housing, and consumer goods. In the absence of such commitment, the regime has more options in choosing the optimal strategy. If the commitment to social welfare is deeply entrenched, the regime is vulnerable to external shocks.

The laser focus of each author on the shock–response relationship produces a unified vision, a rarity in collected volumes. The downside is that almost every narrative is about a dictator (or a regime as a single actor) who shares the rents with a coalition. For example, the study of Russia’s response to the 2008–9 financial crisis and the associated oil-price shock reads as if President Putin was a monarch, rather than a leader operating in the web of established regulations and dealing with professional interest groups that could be traced to old Soviet interests.

Russia is in no way weakly institutionalized; her institutions might be archaic and inefficient, yet they are in many ways exceptionally durable. In other instances, assuming that the regime is a single actor unnecessarily simplifies the picture. China in the post-Mao, pre-Xi period may be a good example of such a polity.

One big lesson that the book attempts to teach is that democratization is not necessarily the response of a regime affected by an external shock. Instead, a coalitional realignment is a typical outcome in these cases. Granted, the cases are preselected to be those in which an external shock did not lead to a regime collapse. And of course, the case for the durability of authoritarian regimes does not require a sophisticated argument; after the collapse of the Soviet Union and its socialist satellites, those regimes that remain endured, and some of the new democracies slid back to authoritarianism. Economic Shocks and Authoritarian Stability draws on multiple examples to develop a compelling picture of the mechanisms at the core of the durability of authoritarian regimes.


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**Warlord Survival** explains how Afghan warlords adjust their strategies to survive and prosper as their contexts change. Romain Malejacq argues that warlords’ authority

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March 2021 | Vol. 19/No. 1 | 317