



BUSINESS TRENDS

Week 09: From Dictatorship to Democracy and Failed States

GLOBAL TURNIGN POINTS
for Business and Society

From Dictatorship to Democracy and Failed States

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Learning Outcome

At the end of the session, each participant will distinguish the distinct types of political regimens there are in the world and identify the trends in this respect.

2001: A Pivotal Year

- When did the 21st century begin?
- Some historians, e.g. Eric Hobsbawm, argue that the 20th century ended in 1989.
- I disagree. I believe that what happened in 2001 pales by comparison with the (foretold) collapse of the Soviet Union in 1989.
- In 2001, within one week, the world changed:
 - 9/11: The terrorist attacks on the U.S.
 - 9/17: China finalized negotiations to enter the WTO.
- Also, centuries start in years ending in 1, not 0.

Basic Concepts

- Political regimes:
 - Autocracy.
 - Democracy.
 - Anocracy.

Autocracy

- Few, if any, individual and group political rights are recognized and protected.
- There is very little or no room for participation and opposition.
- Little or no separation of powers.
- No free and competitive elections take place.
- Three types:
 - Totalitarian regimes.
 - Authoritarian regimes.
 - Sultanistic regimes.

Totalitarian Regime

- No individual or group political rights are recognized.
- Does not allow for any political participation and opposition.
- No separation of powers.
- Example: North Korea, the Soviet Union.

Authoritarian Regime

- Allows for some limited forms of participation by certain groups like religious organizations or other civic associations, though the dictator cannot be voted out of power.
- Examples: Spain under General Franco or South Korea under General Park.

Sultanistic Regime

- Members of an extended family or clan run political affairs at the expense of formal institutions, without appealing to any particular ideology.
- Examples: Saudi Arabia, the Gulf states.

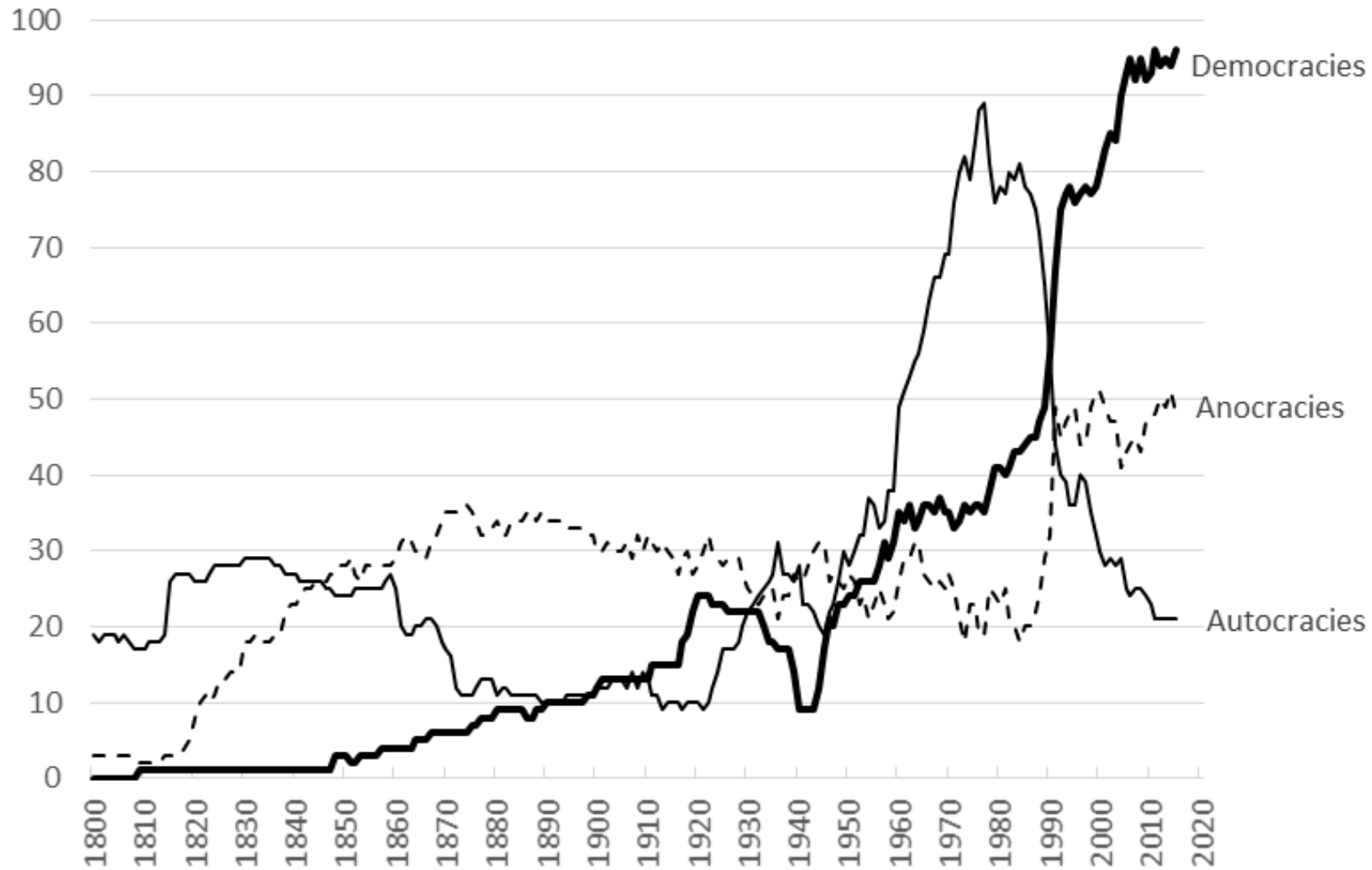
Democratic Regime

- Individual and group political rights are recognized and protected.
- There are ample opportunities for exercising political participation and opposition to the government.
- Separation of powers.
- There are free and regular elections held to decide who rules.

Anocracy

- An “incoherent” political system with an odd combination of democratic and autocratic authority patterns.
- Typically countries that are formally democracies, but in practice an individual or group of individuals manipulate the system so as to perpetuate themselves in power.

Political Regimes, 1800-2015



Source: Center for Systemic Peace.

Examples Of Anocracies

- Russia.
- Armenia
- Bhutan.
- Sri Lanka.
- Cambodia.
- Venezuela.
- Algeria.
- Morocco.
- Mauritania.
- Sudan.
- Angola.
- Chad.
- Guinea.
- Zimbabwe.
- Madagascar.

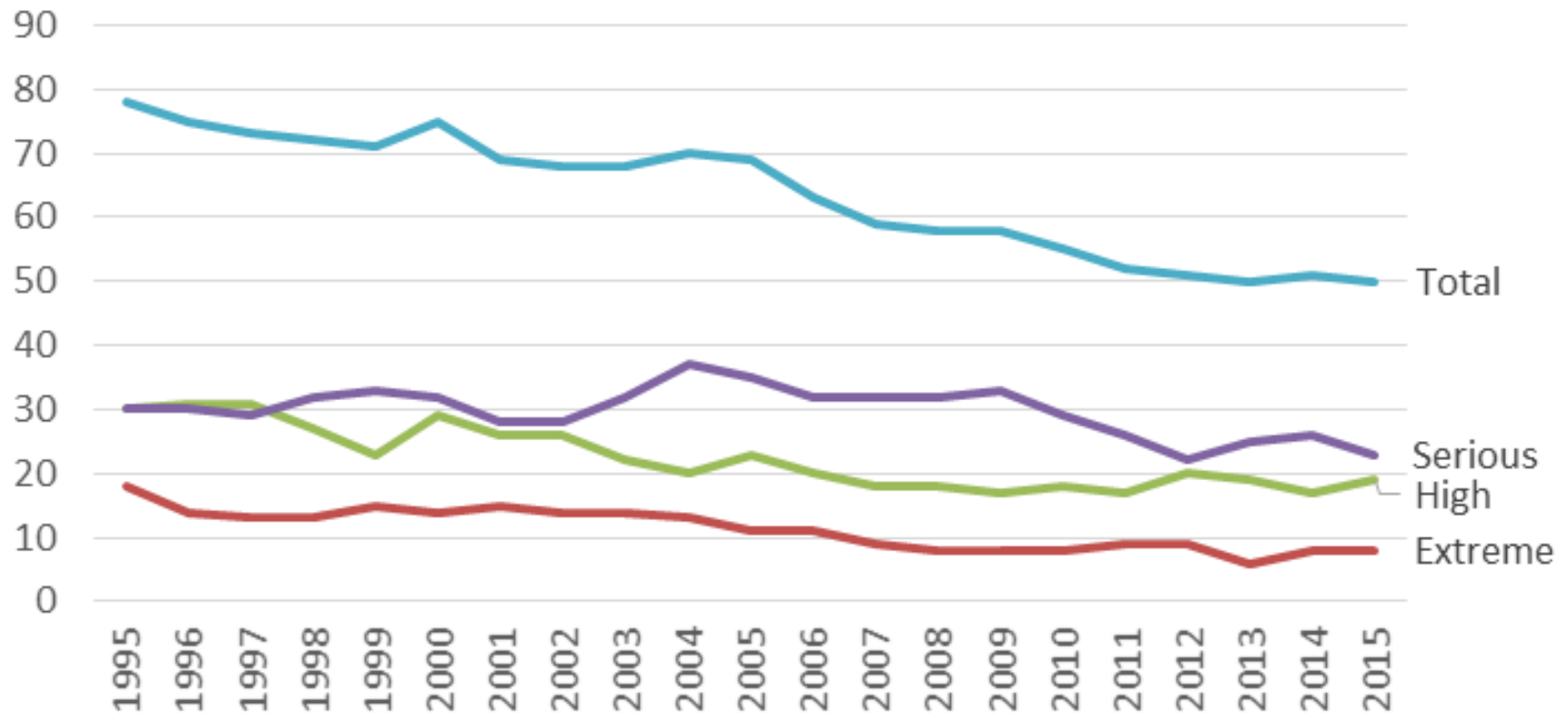
Failed States

- What are failed states?
- What's the geography of state failure?

Failed States

- **Definition:** central authority is weak or nonexistent, that is, the government has lost control over law and order in part or all of the country's territory, cannot provide for minimal public services, and cannot interact with other states as part of the international community.
- **Measure:** The Center for Systemic Peace calculates a complex scale taking into account ethnic and revolutionary wars, genocides, politicides, and breakdown of authority.

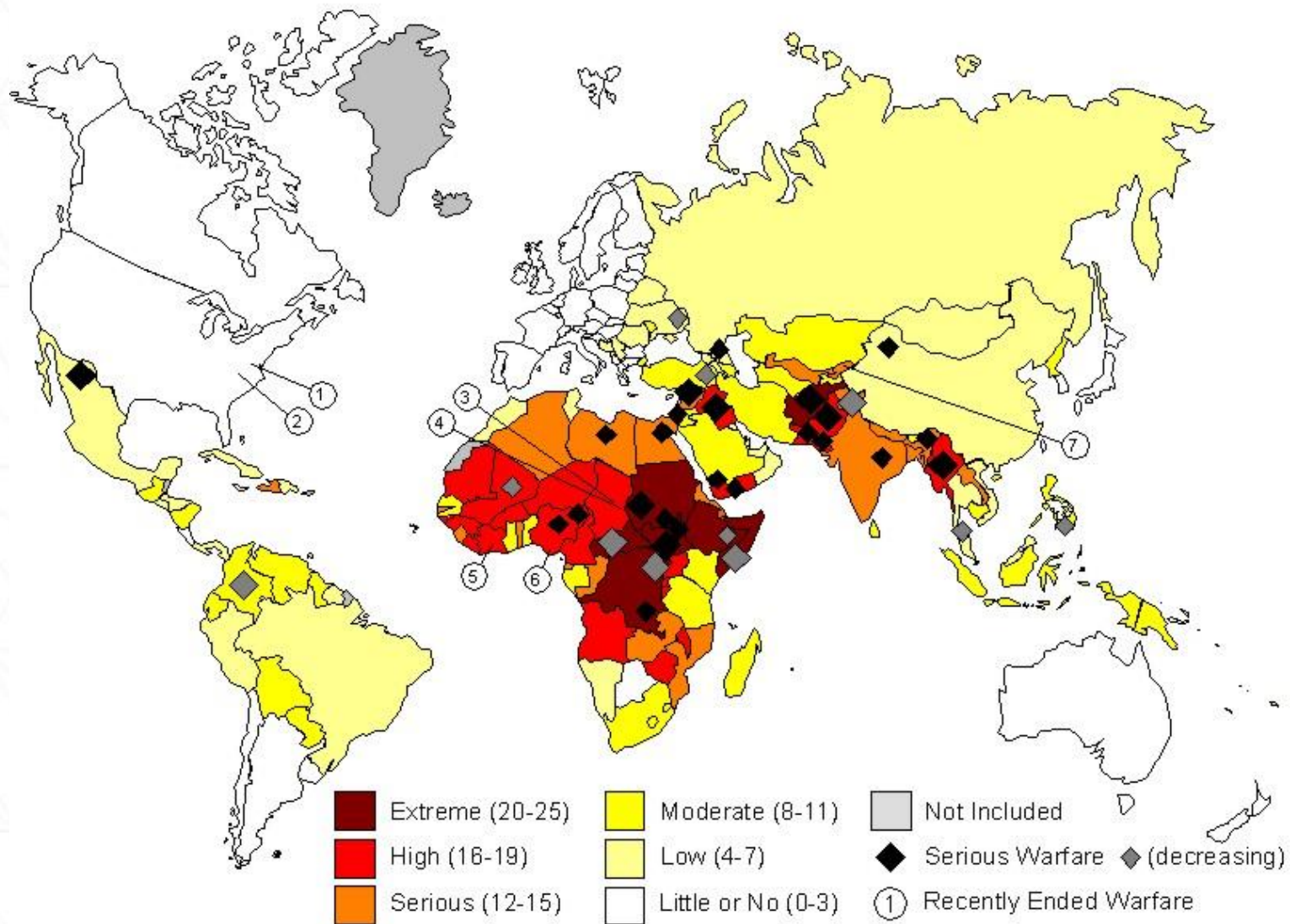
Number of Failed States



Decline In State Fragility

- This means that states in many parts of the developing world have been rebuilt and strengthened.
- As we shall see next, much of the improvement has to do with the end of civil wars.

State Fragility Index 2015



Source: Center for Systemic Peace.

The Long Arc Of Geopolitical Instability

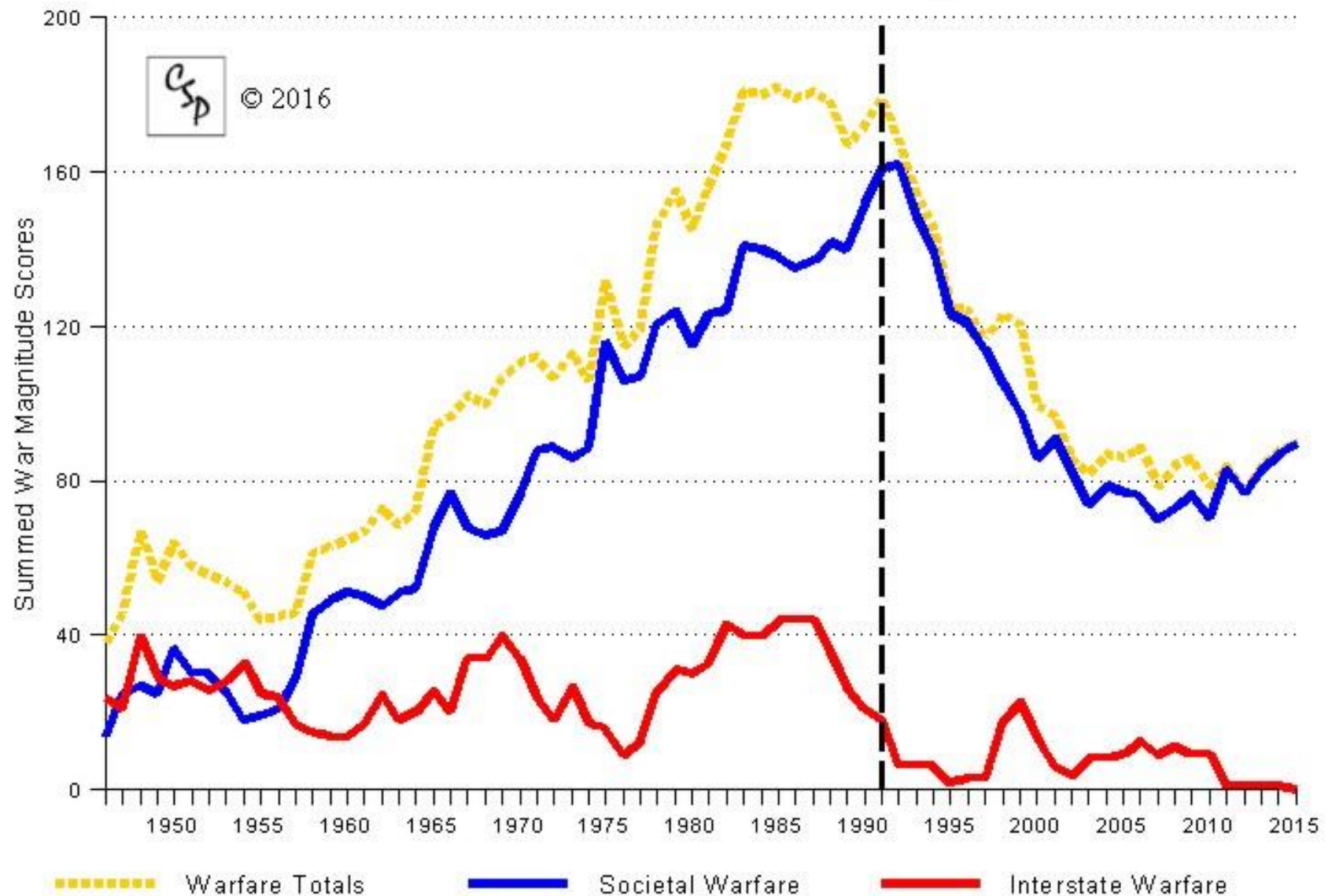


- What do countries affected by state failure have in common?

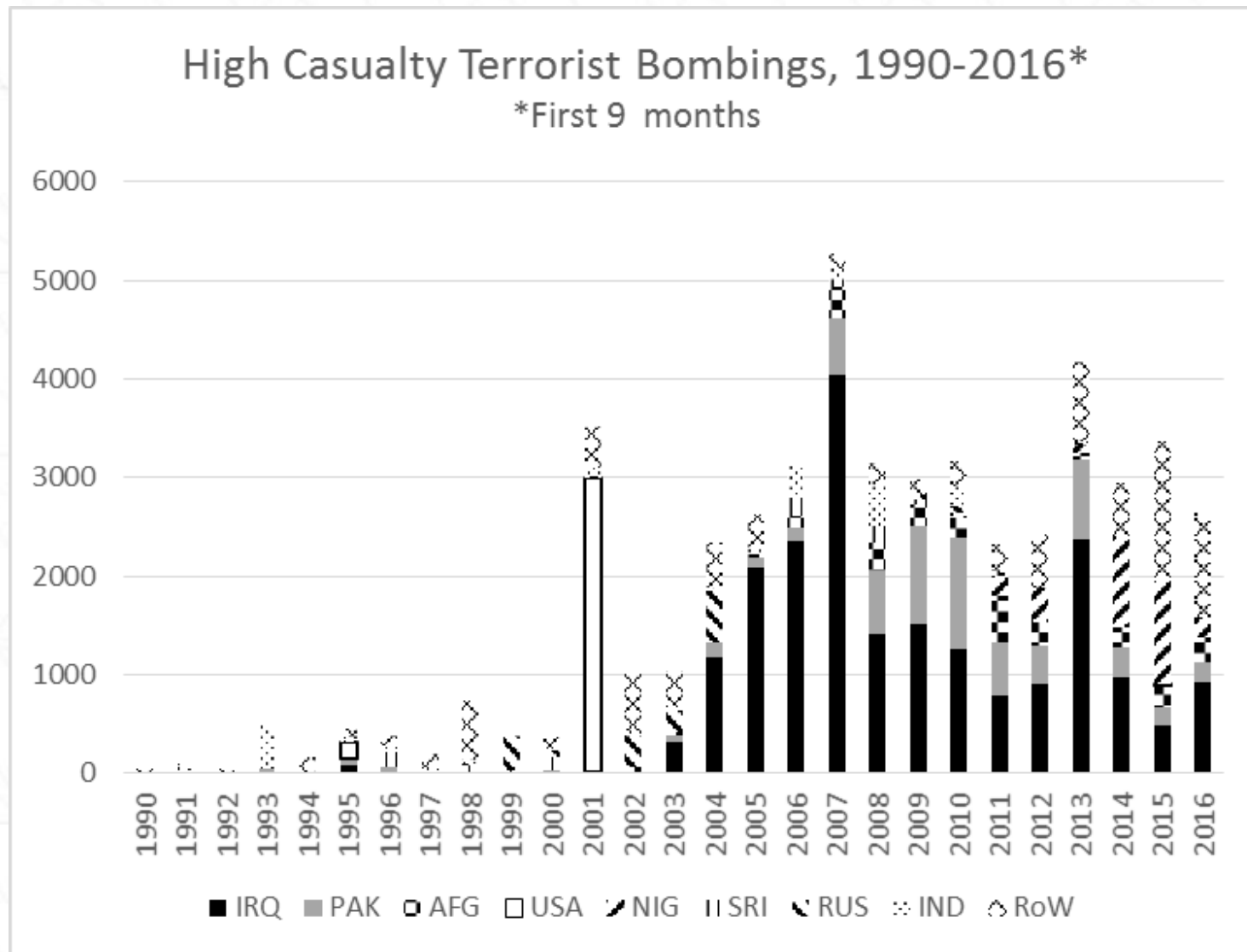
Armed Conflict

- In the 19th and 20th centuries wars between states were the dominant form of armed conflict.
- In the 21st century, there are new forms of violent conflict.

Global Trends in Armed Conflict, 1946-2015



Terrorism Victims

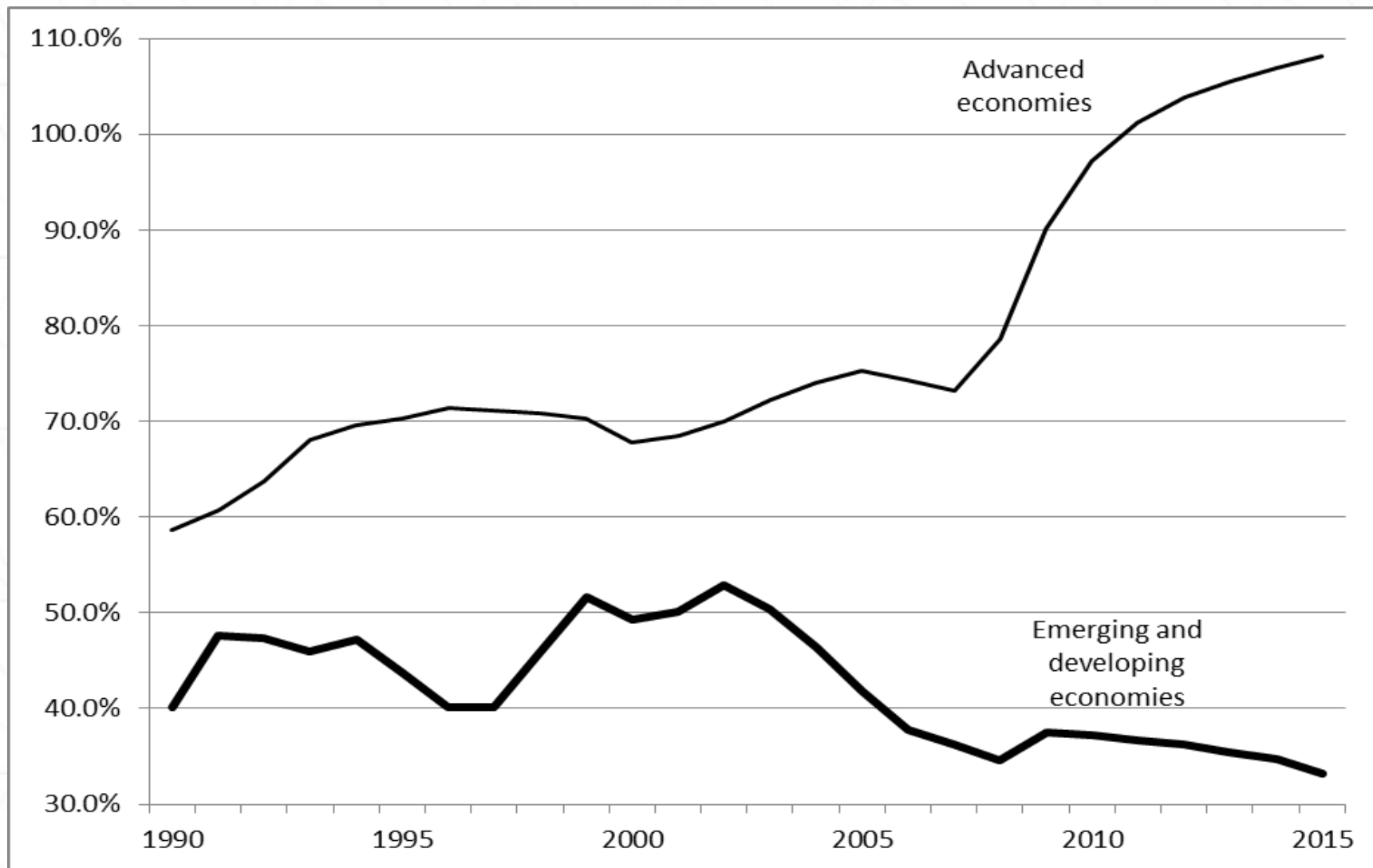


Source: Center for Systemic Peace.

The State Of The State

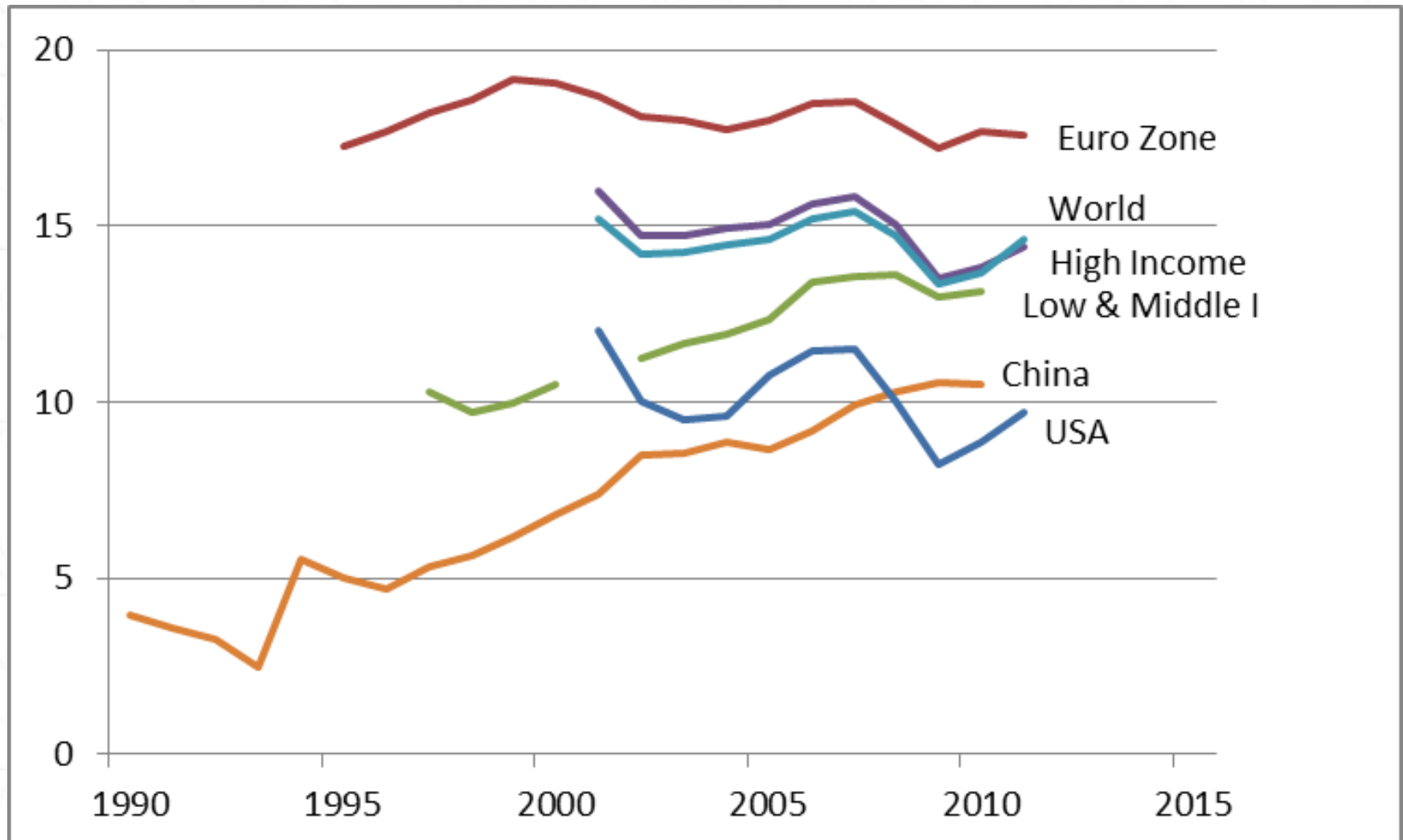
- Legitimacy crisis (started with Thatcher and Reagan in the 1980s).
- What's the proper role of the state?
- In Europe and the U.S. the state is under financial pressure: high levels of debt.

Public Debt (% Of GDP)



Note: Data after 2009 are projections. Source: IMF.

Total Tax Revenue (% GDP)



Public Spending (General Government Consumption, Excluding Investment, % GDP)

