Structural Determinants of Non-Democracy during the Third Wave

Jørgen Møller
Associate professor, PhD
Department of Political Science, Aarhus University,
Bartholins Allé, Bygning 1331,
8000 Århus C, Denmark
E-mail: jm@ps.au.dk
Telephone: +45 8942 1370
Fax: +45 8613 9839

&

Svend-Erik Skaaning
Associate professor, PhD
Department of Political Science, Aarhus University,
Bartholins Allé, Bygning 1331,
8000 Århus C, Denmark
E-mail: skaaning@ps.au.dk
Telephone: + 45 8942 1303
Fax: +45 8613 9839

Paper prepared for presentation at the IPSA-ECPR joint in Sao Paulo, February 16-19, 2011.
Structural Determinants of Non-Democracy during the Third Wave

Abstract:
The impact of structural conditions on the political regime type has received much attention in the latest decades. However, cross-temporal changes in the relationships have remained largely unexplored. In this paper, we test two sets of hypotheses about the cross-temporal dynamics of such structural conditions. First, based on present writings about democratization, we propose that structural constraints are generally less important today than what was the case at late as in the 1980s. This effect we link to the advent of liberal hegemony following the end of the Cold War.

Second, we argue that liberal hegemony has had an asymmetrical impact on the structural conditions which can be identified in the literature. More particularly, while it is likely to have alleviated the effect of regional diffusion and modernization, we expect that it has in fact increased the impact of being oil-dependent and having a Muslim majority. Though the aggregate impact is still a decrease in structural constraints, these contending dynamics mean that the analyses must be interpreted with care. We test these propositions using a sliding series of statistical analyses, covering 167 countries from 1973 to 2007. In general, these tests corroborate our hypotheses but they also go to show that the reality of regime change during the third wave is more complicated than what has often been assumed, theoretically and methodologically.
Structural Determinants of Non-Democracy during the Third Wave

Introduction

What a difference one generation makes! As recently as the 1970s, autocracy was the global rule, democracy the regional exception. The so-called third wave of democratization (Huntington, 1991), which began flooding the autocratic territories in the mid-1970s, and subsequently gained momentum with the breakdown of communism in 1989-91, has turned the world upside-down in this respect. Nowadays, democracy is the rule, autocracy the regional exception (Møller & Skaaning, 2010a).

Question is how this massive process of democratization has affected the causes of autocracy? Or, more precisely, whether the impact of the structural determinants of autocracy has changed during the third wave? This question has attracted little attention in the literature. The neglect is surprising considering that a number of influential democratic theorists have forcefully argued that structures constrain regime development much less today than what used to be the case.

We find a harbinger of this assertion in O’Donnell & Schmitter’s (1986) path-breaking work on Transitology, the very premise of which is that actors can break with unpropitious structures. But the claim is promoted in a much more assertive way with respect to the present dynamics of democratization, including by the scholars involved in the original formulation of Transitology (Schmitter, 2010; O’Donnell, 2010a; see also Munck & Snyder, 2008: Chs. 9, 10, 13).

Crudely summarized, these scholars seem to argue that electoral democratization increasingly occur in the face of structural constraints which only a few decades ago would have hindered the advent of such political competition. This has much to do with the international dynamics of regime change. More particularly, what Levitsky & Way (2002) has termed ‘liberal hegemony’ means that virtually all developing countries, willy-nilly, face a persistent pressure to democratize.

It is here important to emphasize that, according to the scholars listed above, this external pressure only seems to scratch the surface as the electoral competition increasingly occurs in the absence of other properties of democracy, such as political liberties and the rule of law (O’Donnell, 2010a; 2010b; Schmitter, 2010). These other attributes are, it seems, much more intimately wedded to structural constraints (Møller & Skaaning, 2011).

But if we maintain a minimalistic, Schumpeterian (1974 [1942]) definition of democracy, we find what is arguable an emerging consensus about the decreasing importance of
structural conditions. In a nutshell, structural factors such as the level of modernization, diffusion, ethnic fractionalization, colonial legacy, and religion constrain democratization much less than they did a generation ago, or even back in the 1980s.

This can be translated into a causal proposition about the cross-temporal constraints on autocracy. Basically, insofar as the relationships are linear, the logic here should be the same; the said structural factors should constrain autocracy much more at the outset of the third wave (in the 1970s) than today, at least when the autocracy is defined based on the absence of electoral competition only. What is more, we would expect that the association between the structural factors and autocracy would decline with the ascendancy of liberal hegemony. This means that we should only witness a genuine decrease in the association between the structural factors and autocracy as a consequence of the fall of communism in 1989-91. The general development should simply be punctuated by a relatively steep decrease around this historical juncture, which is then followed by a more gradual trend in the same direction.

This paper sets out to test this proposition. To do so, we proceed in three steps. First, we conceptualize and operationalize the dependent variable, non-democracy (or autocracy), and identify and operationalize a set of structural factors which the literature on regime change points to as central. Second, based on this overview of explanans and explanandum we add two more particular hypotheses concerning the cross-temporal impact of the respective structural factors to the general expectation. Third, we test these three hypotheses using a sliding series of statistical tests, covering 167 countries from 1973 onwards. More particularly, using graphical representations of the results we report the development in the pseudo-R square of the entire model, the development of the bivariate correlations between the respective structural factors and autocracy, and the development in the unstandardized and standardized coefficients linked to each of the factors.

**Conceptualizing autocracy**

---

1 Based on Levitsky and Way (2002), the fall of communism in 1989–91 seems to mark the advent of liberal hegemony. McFaul (2002) likewise draw a line between the third wave of democratization prior to 1989–91 and the subsequent ‘Fourth Wave of Democracy and Dictatorship’ (as his title reads).
Based on prior work (Møller & Skaaning, 2010b, 2011), we argue that autocracy should be construed as a ‘contrary’ to democracy. This implies that autocracy is explicitly defined as a political regime form. Next, we have already indicated that the hypotheses deduced from the literature are explicitly or implicitly based on a minimalist definition of democracy. Harking back to Schumpeter’s (1974 [1942]: 269) seminal definition, the overarching class of autocracy should therefore be defined as a regime form in which there is no ‘a competitive struggle for people’s vote’. Other than reflecting the theory we test, this line of demarcation is justified by the fact that electoral competition is normally highlighted as the sine qua non of democracy (cf. Collier and Adcock, 1999: 559; Merkel, 2004: 36-38). Mutatis mutandis, this line of reasoning holds for autocracy as well due to its nature as a contrary.

Regarding the operationalization of the autocracy-democracy dichotomy, things are relatively straightforward due to the existence of a well-known dataset based on the exact same conceptual dichotomy between autocracy and democracy, viz. the dataset on political regimes that was constructed by Przeworski and collaborators (Alvarez et al., 1996) and recently updated by Cheibub et al. (2010). This dataset even has the required cross-temporal coverage (the third wave) and cross-spatial coverage (virtually all countries of the world).

The democracy-autocracy variable in this dataset is based on Przeworski’s (1986, 1991) minimalist definition of democracy. In line with Schumpeter, Przeworski argues that the essence of democracy is political uncertainty with respect to the outcome of elections. If such uncertainty is present, then we have an instance of democracy. If not, i.e., if we know in advance that the incumbents will win or if there is simply no genuine electoral competition, then we have an instance of autocracy. To quote,

“[o]utcomes are not known ex ante: each party does the best it can, then rolls the dice to see who will win. Democratization is an act of subjecting all interests to competition, of institutionalizing uncertainty” (1991: 14)

Or, as Przeworski elaborates, democracy consists of the two attributes of ‘ex ante uncertainty’ and ‘ex post irreversibility’ (Alvarez et al., 1996: 50-51). The relevant variable thus measures our understanding of non-democracy in a valid way.

Cf. Sartori (1987: 205) who argue that ‘autocracy’ ‘[…] stands as an undisputed and hardly disputable good opposite of democracy’. 

2
**Structural conditions**

Exactly which factors lie hidden under the general notion of structural constraints? Critically, the above conceptualization of autocracy carries important analytical consequences. The very use of a symmetrical autocracy-democracy dichotomy implies that the determinants of democracy should be able to ‘travel’ to analyses of autocracies. Thus, while our focus lies on how to account for autocratic regimes, the theories we use are derived from the democratization literature – indeed, they make up some of the family silver of this literature.

Which factors have been proclaimed as important explanations of democracy and, *ipso facto*, of autocracy? On the basis of a careful review of the literature, we have identified seven variables, all of which we are able to measure for almost all countries over the entire period 1973-2007.

*Modernization.* Modernization theory holds that socio-economic development enhances the chances of regimes to democratize (Epstein et al., 2006) and/or to sustain democracy (Przeworski et al., 2000). Modernization has been so consistently identified as a causal driver of democratization (e.g. Bollen, 1983; Diamond, 1992; Burkhart & Lewis-Beck, 1994; Geddes, 1999; Boix & Stokes, 2003; Teorell & Hadenius, 2007) that Welzel declares that “the fact that modernization operates in favour of democracy is beyond serious doubts” (2009: 81). This variable is operationalized using the index of socioeconomic modernization constructed by Teorell (2010).

*Regional diffusion.* A number of scholars assert that a non-democratic regime situated in a region with many democracies will be more likely to democratize, and vice-versa with a country surrounded by non-democratic regimes (Elkins & Simmons, 2005; Brinks & Coppedge, 2006; Gleditsch & Ward, 2006: 929). As a proxy for diffusion, we use the regional mean score of the Freedom House political rights index (inversed so high values indicate a high level of political rights in a particular region). We have made this choice for two reasons. First, the Freedom House measure has the highest coverage of the ready-available measures. Second, a graded measure better captures differences in the intensity of the pressure toward regional convergence.

---

3 The index is based on eight indicators: 1) industrialization (output of non-agricultural sector/GDP), 2) education (gross secondary school enrollment ratio), 3) urbanization (urban percentage of total population), 4) life expectancy at birth (in years), 5) the inverse of infant mortality rate (per 1000 life births), 6) the log of GDP/cap. (current US dollars), 7) radios/cap., 8) televisions/cap., and 9) newspaper circulation/cap. The index is computed by taking the factor scores “and then using imputation on the regression line with all nine indicators as regressors” (Teorell, 2010: 164-165).
Oil. Several studies have demonstrated that large-scale dependency on natural resources, in particular oil, has a negative impact on a country’s prospects for democratic development (Ross, 2001; Karl, 1997). A number of arguments are used to underpin this relationship. First, oil revenues pave the way for repressing social movements using the police force and the military. Second, oil rents make taxation superfluous and furthermore allows for ‘buying’ social support for the holding regime using patronage. Third, economic growth spurred by oil extraction does not advance the social and cultural changes which facilitate democratization (cf. Welzel & Inglehart, 2005). The ‘resource curse’ is operationalized using Ross’ (2008) data on oil rents per capita (divided by GDP per capita).

Muslim. Islam as the dominant religion has also been identified as a hindrance for democratization and, therefore, as a bulwark of autocracy (Huntington, 1996). Kedourie (1994) argues that the notion of democracy is alien to the mindset of Islam, not least because it contains no separation between the religious and secular spheres. Also, cultural aspects of Islam are said to work to the detriment of individual freedom rights (Huntington, 1991: 298-301; Lewis, 1993; Fish, 2002). Following Fish, (2002), we cast this as a dummy, where 1 signifies that the majority, or at least the plurality, of the population of a given country is Muslim.

Ethnic fractionalization. Reaching back at least to John Stuart Mill’s (1996[1861]: 392-393), ethnic fractionalization has been singled out as an impediment to democracy. A number of influential scholars have reaffirmed the importance (though not the exact character) of this relationship (see, e.g., Rustow, 1970; Dahl, 1971: 105-123; Diamond & Plattner, 1994). Theoretically, ethnic fractionalization undermines the willingness and ability to reach political compromises across different ethnic groups. What is more, mass mobilization in such societies is likely to follow the ethnic cleavages. These are surely important arguments. But it is also worth noting that this factor has not persistently showed up as important in large-N empirical analyses (see La Porta et al., 1999; Alesina et al., 2003; Fish & Brooks, 2004; Teorell & Hadenius, 2007). We use the ethnic fractionalization index constructed by Alesina et al. (2003) to measure this variable.

Former British colony. The debate about the relationship between colonialism and democracy/autocracy has been a heated one. However, the only factor to be repeatedly (though not consistently) identified as a boon to democracy is the legacy of being a British colony (cf. Clague et al., 2001; Weiner, 1987). The associated theoretical argument emphasizes the ability of the British to decentralize power, hence empowering locals and establishing bureaucratic capacity on the
ground. Also, former British colonies have tended to inherit the constitutional system of the United Kingdom, including its respect for the rule of law. We treat this variable as a simple dummy, where 1 denotes the status as a former British colony. However, following Bernhard et al. (2004) and Teorell (2010) we exclude settler colonies such as Canada and New Zealand.

**Size.** The territorial size of states has also been linked to democracy. Very crudely, the larger the size of the state, the more it is to the detriment of democracy. This relationship seems to be based mostly on the democracy-inducing effect of being a small island state (Dahl & Tufte, 1974; Anckar, 2008). Such states – e.g. Barbados, Jamaica, Trinidad & Tobago, and Mauritius – do not need to develop a very large coercive apparatus, are often relatively homogenous, and tend not to develop any militaristic ethos. To operationalize this variable, we use the (logged) country area in 1,000s of square kilometers.

**Teasing out more particular hypotheses**

Our general expectation, deduced from the democratization literature, is that the aggregate impact of structural constraints on autocracy decrease steeply at the end of the Cold War (in 1989-91), followed by a more gradual decrease in the 1990s and 2000s.

This general expectation we treat as Hypothesis 1 (H1). Notice, however, that this proposition is completely agnostic with regard to effect of the individual structural factors listed above. This will not do for two reasons. First, according the literature the importance of the factors we include differ substantially. Second, we test the effects of these factors across a span of almost 40 years, a period in which both their absolute and relative importance might undergo some important changes.

Recall here that we can simply translate the findings of the democratization literature into expectations about the development of autocracies. In this respect, two of our seven structural constraints seem to be in a league of their own. Modernization and Regional diffusion are thus the explanatory factors most consistently pointed to as crucial constraints on democratization (Doorenspleet & Mudde, 2008). To be sure, Oil and Muslim have also proved robustly significant in many large-N analyses. But this is particularly so due to their ability to explain the one large regional exception to the third wave of democratization, viz. the Middle East. Hence, these variables do not have the same global explanatory reach as Modernization and Regional diffusion. Finally, Ethnic fractionalism, Former British colony, and Size have proven less important – indeed not robustly significant – in prior analyses (e.g. Barro, 1999; Bernhard et al., 2004; Teorell, 2010).
Emphasizing the cross-temporal dynamics, we can go further than this, however. *Modernization* and *Regional diffusion* are exactly the factors that underpin our general proposition. These are the most general constraints on political change and it is these constraints on the actors’ room for maneuver that the ascendancy of liberal hegemony is likely to have lessened most; at least considering our electoral definition of autocracy (democracy). With *Modernization* this is pretty obvious as this constrain on regime change affects all countries and as it has proved extremely robust across time. With *Regional diffusion* it is the case exactly because it is regional. Liberal hegemony is in itself a form of, or at least impacts countries through, diffusion. But here we are not speaking of regional diffusion but of the influence of the Western democracies and the general *Zeitgeist*. These influences should alleviate the neighbor effect which used to be of the essence in more ‘parochial’ epochs. Again, we expect this dynamic to kick in around the fall of communism, as the advent of liberal hegemony is at the outset the only dynamical element in our theoretical model.

However, there might be reason to suspect that the ability of the actors to force through democracy is also to some extent a dynamic factor in itself. O’Donnell (2010a), Schmitter (2010), and Przeworski (see Munck & Snyder, 2008: Chs. 9, 10, 13) thus all point out that what is probably best understood as a process of social learning has occurred over the course of the third wave. Especially important has been that the undemocratic forces in regions such as Latin America have come to understand that democracy no longer imperils the economic privileges of the elite.

The holding elites have, so to say, been successful in depoliticizing the economy, which has made democratization much less problematic. The very premise of this development is the electoral nature of contemporary processes of democratization (cf. the Introduction). Important for our purposes, this process of social learning should theoretically imply a more incremental loosening of the structural constraints even in the absence of – and therefore prior to – liberal hegemony, thus predicting a more gradual decrease in the importance of *Modernization* and *Regional diffusion* over the period.

Based on the combination of the advent of liberal hegemony and social learning, the following hypothesis can be teased out:

\[H2: \text{The relationship between Modernization and Regional Diffusion and non-democracy decreases over the period 1973-2007, with a steep decrease around the onset of liberal hegemony.}\]
With *Oil* and *Muslim* we in fact harbor the opposite set of expectations. As already emphasized, these two factors have come to the fore in recent decades due to their ability to explain the Middle Eastern resilience to democratization. Until the third wave, indeed arguably until it really kicked in in the 1990s, the Middle East and North Africa was not much more autocratic than what could be expected based on structural factors in general. This, however, has changed in the 1990s and 2000s (Møller & Skaaning, 2010a: Ch. 6).

Purely logically, this should increase the relative importance of *Oil* and *Muslim*. This assertion is tautologically true insofar as the premises on which it is based holds. However, it does not explain why *Muslim* and *Oil* should be more resistant to liberal hegemony and social learning that *Modernization* and *Diffusion*. Can this proposition be defended causally as well?

We argue that this is indeed possible by weaving together some of the prior observations. With *Oil* it is actually rather straightforward. The liberal hegemony works through some combination of a general impact from the *Zeitgeist* (Linz & Stepan, 1996) and active leverage (Levitsky & Way, 2002). Regarding the latter element, Wright & Winters (2010: 73) has showed an important set of dynamics. They argue that

bilateral aid during the Cold War was ineffective in promoting reform because donors could not credibly commit to withdrawing aid from strategically important recipients even when reform was not forthcoming, but in the post-Cold war era, donors can make more credible threats to withdraw aid.

Now, this donor pressure is likely to be both much less widespread in the case of oil producing countries because these do not need external aid and, if they do indeed receive such aid, much less effective due to the ability to finance the state with oil rents. Furthermore, Western countries might be less willing to pressure such countries due to their own dependence on steady oil supplies, a

---

4 Such is the case because a high correlation is a consequence of a distribution where X (*Muslim* or *Oil*) often goes together with Y (autocracy), whereas non-X goes together with non-Y (democracy). What has seemingly happened over the course of the third wave is that the Xs and Ys have been stable in a particular region, viz. the Middle East and North Africa. In the rest of the world, which is relatively bereft of *Muslim* and *Oil*, the third wave has meant a salient shift from Y to non-Y. For this reason, the correlation between *Muslim* and *Oil*, respectively, and autocracy should have increased over the period, even if neither factor in themselves (i.e., absolutely) have become more important drivers of autocracy.
factor that is further strengthened by oil producing countries’ ability to find non-Western political sponsors, such as China.

This is probably best understood by returning to the social learning of the actors. Obviously, it would be much more dangerous for a ruling elite to lose political power when such power equals control over oil money. In this situation, any incumbent elite is likely to furiously resist democratization in a way that makes no sense in non-oil producing countries, meaning that the liberal hegemony is likely to be impotent. Indeed, the harder the external pressure to democratize, the more self-conscious the resistance of the incumbent elites. In other words, in the oil-dependent countries the nature of the (political) game is simply different from that described by O’Donnell, Schmitter, and Przeworski.

With Muslim things are less straightforward. But here we point to a different sort of social learning, which again impacts on the influence of liberal hegemony. What is important here is the relatively widespread reaction (and often revulsion) against Western influences in Muslim countries. Even though a majority of citizens in Muslim countries favor democracy as a regime form (Tessler & Gao, 2005), the power elites can play a blame-game by fuelling popular resentment of ‘Western imperialism’ whenever outside pressure builds up. Simultaneously, Western powers have tended to fear the scenario that a sudden democratic opening might produce a popularly elected regime based on political Islam (aka. Islamism). For this reason, the Western powers have been wont to prefer autocratic stability to democratic instability to a degree which is not found in non-Muslim countries. Coupled with the already described tendency of Islam to put a damper on emancipatory values (Welzel & Inglehart, 2009), these factors should to a large extent undermine the effects of the liberal hegemony on Muslim countries. In fact, the stronger the liberal hegemony, the more the ‘Muslim’ reaction, meaning that these are truly contending dynamical forces.

On this basis, the following hypothesis can be formulated:

H3: The relationship between Oil and Muslim and non-democracy increases over the period 1973-2007, with a steep increase around the onset of liberal hegemony.

Taken together, we have thus argued in favor of finding asymmetrical cross-temporal dynamics of structural constraints – or, more particularly, of Modernization and Diffusion on the one hand and Muslim and Oil on the other hand.
This is in itself an intriguing idea, which lends further relevance to our analysis. In the Conclusions we use it as a stepping stone to speculating about the effects of a (possibly ongoing) decline in liberal hegemony. But the notion of an asymmetrical pattern also leaves a particular question unanswered. Returning to H1, why would we in this instance expect to find a general decrease in the impact of structural constraints? The obvious answer is that the cross-temporal weight of the former two factors ‘trumps’ that of the two latter factors, meaning that the aggregate impact should still be a decrease of the structural constraints. Such is the case because we have identified some general dynamics which would serve to lessen the structural constraints of all factors save Muslim and Oil. The contending dynamics produced by these are a reaction only, meaning that this will not be able to fully compensate for the general dynamics.

Still, this obviously implies that we carry out a somewhat conservative test of H1 as the lessening of structural constraints in general is – insofar as H3 is corroborated – to some extent disguised by the particular increase in the importance of Oil and Muslim.

Finally, regarding the three remaining factors, Ethnic fractionalism, Former British colony, and Size, our expectations are much more muted. Again, these factors have not proven robustly significant in analyses of democratization and we therefore do not expect that they turn out to be very important in our analyses of autocracy either. Otherwise said, these three factors are included mainly for purposes of comprehensiveness and control. To the extent that they are important, however, the reasoning used to formulate H2 should also apply to them.

**Testing the general expectation**

Beginning with the most general trend, Figure 1 reports the cross-spatial pseudo R-square for the entire model over the course of the third wave. Following convention, we have lagged the factors that change over time, i.e., Regional diffusion, Modernization, and Oil, with one year. Three things are worth noting. First, the pattern obviously corroborate H1 as we find a general decrease of the statistical association over period 1973-2007, but one that is punctuated by a very steep decrease following the end of the Cold War (and the concomitant advent of liberal hegemony), followed by a period of relative stability in the 1990s and 2000s – with a slight tendency toward further decrease.

Second, it turns out that the ability of the structural factors to explain the variance on the dependent variable is actually on the increase in the period from 1973-1985. We harbored no such expectations but this trend is probably driven by the fact that many of the countries that experienced democratic transitions in this period, such as Spain in Southern Europe and Uruguay in
South America, were characterized by ‘democracy-propitious’ structural conditions. Third, we see a relatively stable development after the mid-1990s, indicating that the effect of liberal hegemony levels off over time. This is interesting because a number of scholars have begun to argue that the post-Cold War liberal hegemony has weakened in the latest years, something we return to in the Conclusions.

Figure 1: The development in the pseudo R-square for the entire model, 1973-2007

The gist of the matter is thus that the structural constraints have loosened over the course of the third wave, but this can seemingly only be explained by the main dynamical element on which our expectations are based, namely the ascendancy of liberal hegemony – or at least that the liberal hegemony gained so much momentum that not only countries with ‘auspicious’ structures began to transit from autocratic rule to democracy, as was arguably the case in the early phases of the third wave. Bearing this in mind, let us move to a more disaggregate level in order to scrutinize what lies behind this development.

The absolute importance of the individual factors
Figure 2 reports the level of the bivariate correlations (negative signs removed)\textsuperscript{5} between the respective structural factors and autocracy over the course of the third wave. The numbers show that Modernization and Regional diffusion operate as expected by H2, albeit with a slight twist. Whereas the correlation of the former factor decrease gradually over the entire period – though still punctuated by a relatively steep decrease around 1989-91 – the correlation of the latter factor mirrors the pattern of the general model as the decrease only kicks in with the advent of liberal hegemony.

This might be elucidated using the distinction between liberal hegemony and the social learning of the actors. As already observed, the latter factors would tend to support a more gradual decrease of structural constraints as a product of the elites’ increasing recognition about the harmlessness of political competition. This would seem most relevant with respect to that traditional constraint on democratization, Modernization.

\textbf{Figure 2: The development in the bivariate correlations between the structural factors and autocracy, 1973-2007}

\textsuperscript{5} As expected, the signs for Regional diffusion and Modernization are consistently negative, while they are consistently positive for Muslim, Ethnic fractionalization, Size, and – surprisingly – Former British colony.
Likewise, the developments in the bivariate correlations for *Oil* and *Muslim* largely confirm H3; both increase over the period, though from a low starting point in the case of *Oil*. What is more, both register their strongest increase around the end of the Cold War. More surprisingly, the increase in the covariation of both factors with autocracy comes to an end in the 1990s, with *Muslim* actually reporting a small decrease since then.

Next, as expected, nothing much of interest occurs over the period in the case of the three remaining structural factors. From a medium level, the correlation coefficient of *Ethnic fractionalism* is rather volatile over the period and to some extent seems to follow the trend of the general model. The coefficients of *Former British colony* and *Size* are rather more stable, and generally low over the period.

To reiterate, the most important dynamical element of our model is that of liberal hegemony. We have not only hypothesized that this factor impacts the aggregate importance of structural conditions (H1) but also does so in an asymmetrical way with respect to the individual structural factors (H2 and H3). For the latter reason, it seems pertinent to report graphical presentations of the unstandardized coefficients (based on logistic regression) of the four explanatory variables addressed by H2 and H3. As opposed to the simple bivariate correlations, these coefficients report the absolute strength of the association when controlling for all other included factors – i.e., based on the general statistical model – and they therefore make it possible to analyse the cross-temporal development of the associations.

Figure 3: The development in the unstandardized coefficients of for *Regional Diffusion* and *Modernization*, 1973-2007
The two graphs of Figure 3 neatly substantiate the observations we made above. *Regional diffusion* increases its importance until the late 1980s, after which we find a stunningly clearcut juncture surrounding the onset of liberal hegemony. The effect of this is a steep decrease in the negative regional effect on autocracy. This shock proves sticky for a decade, but the coefficients then again increase in the 2000s.

With *Modernization*, we once more find a gradual decrease which actually has a first climax around the breakdown of communism in Eastern Europe, followed by a volatile period in which it constrains autocracy relatively little in the 1990s and early 2000s, followed by yet another climax at the end of the period analyzed (2007). *Modernization* thus reappears as the factor which most closely follows the reasoning about social learning whereas liberal hegemony seems to have less of an impact here. From a bird’s eye view, however, the important thing is of course that *Modernization* becomes ever less associated with the form of regime over the period 1973-2007.

**Figure 4:** The development in the unstandardized coefficients of for *Oil* and *Muslim*, 1973-2007

In the case of *Oil*, we find the anticipated effect of the onset of liberal hegemony. Whereas this variable hardly mattered at all in the 1970s and early 1980s, we find a steep increase in the coefficients from the late 1980s onwards. The coefficients culminate around 2000, after which we find a very salient decrease – just as was the case with the bivariate correlations.

*Muslim* to a large extent mirror this development. To be sure, the coefficients are actually on the rise on the late 1970s. But, anticipating the subsequent section, the variable is not statistically significant in this period (neither is *Oil*). *Muslim* only becomes significant in the early 1990s, at a point in time where the coefficient register a steep increase following the onset of liberal hegemony, only to recede from the late 1990s onwards.
Speaking of the devil, the statistical significance of the variables (in the full model) differ starkly. *Regional diffusion* is the only variable that is consistently highly significant (in most years at the 0.01-level, one-tailed test) over the entire period 1973-2007. Indeed, it is the only variable that is consistently significant at all (at the 0.1-level, one-tailed test). *Modernization* comes in a close second, however. Save six years (1984, 1986-87, 2005-07), it is statistically significant over the entire period. Other than that, *Muslim* and *Oil* are the only variables to register statistical significance in most years. *Oil* is significant for the years 1975-76, 1979, 1986, 1988-2007; Muslim in 1980-84, 1991-2003, and 2007. Finally, *Ethnic fractionalization*, *Former British colony*, and *Size* are almost consistently insignificant over the whole period. Worth noticing, however, ethnic fractionalization is significantly related to autocracy in that tumultus period from 1989 to 1991 which was, among other things, characterized by contentious questions of statehood.

All of this is broadly in accordance with our dynamics expectations. Whereas *Modernization* and *Regional diffusion* should be relevant throughout the period, our entire reasoning points toward *Oil* and *Muslim* only really kicking in as a reaction to the build-up of liberal hegemony.

The developments in the unstandardized coefficients and the bivariate correlations in the context of statistical significance likewise go some way to corroborating H2 and H3. Two caveats needs mentioning, however. First, *Modernization* follows a much more incremental logics that what we would have expected based only on the onset of liberal hegemony. Second, the dynamics seem to change yet again from the late 1990s onwards as *Modernization* and *Regional diffusion* regain some of the ceded territory whereas *Oil* and *Muslim* retreats from some of their gains. We return to this below. Suffice to say here that the disaggregated dynamics of *Muslim* and *Oil* seem to alleviate the cross-temporal impact of *Modernization* and *Diffusion* following the end of the Cold War, just as we would have expected. Two conflicting dynamics thus characterize the period, meaning that the aggregate result must be interpreted carefully.

The relative importance of the individual factors

To give an (imperfect) impression of the relative importance of the structural conditions, we finally report the development in the standardized (X and Y) coefficients for the structural factors, 1973-2007, when the others are controlled for (negative signs removed).
Figure 5: The development in the cross-spatial standardized coefficients for the structural factors, 1973-2007

Generally speaking, the size of the coefficients tends to support the previous studies from which we have deduced the variables. More importantly, Figure 2 shows that some of the structural factors behave exactly as indicated by our hypotheses whereas other are more puzzling. Regarding the former issue, we find a massive decrease in the coefficients for *Regional diffusion* in the years surrounding the end of the Cold War. Likewise, we find a massive increase in the coefficients for *Oil* in the very same period. These two factors thereby go a long way toward substantiating the contending dynamics we have formulated theoretically above. Notice, however, that the relative trends are altered in the 2000s, further substantiating that a new dynamic seem to enter the picture at this point, a development that was also obvious in Figure 3 and 4 above.

Turning to the latter issue, *Modernization* once again register its increase prior to the advent of liberal hegemony, indeed we observe a massive decrease in the 1970s followed by a rather volatile increase from the mid-1980s onwards. *Muslim*, too, behaves somewhat erratically considering our expectations. We do find some evidence of an increase after the advent of liberal hegemony but the general development is also very volatile here. Finally, as expected *Ethnic fractionalization*, *British colony* and *Size* are relatively unimportant over the entire period and do not register much in the way of a consistent trend.
Conclusions

Structural factors surely still matter with respect to regime change. Indeed, the prior analyses of the period 1973-2007 have demonstrated that a number of such constraints are very important with respect to explaining the incidence of non-democracy. But cross-temporally we find a salient decrease in the importance of such constraints.

This development can – according to the main hypothesis of this paper – be explained by the advent of liberal hegemony as a consequence of the victory of the democratic side in the Cold War. This dynamical factor is probably further underpinned by social learning as the undemocratic elites in areas such as Latin America have come to realize that mere electoral democratization does not jeopardize their economic interest.

We have also argued, however, that this combination of liberal hegemony and social learning has had asymmetrical impacts on the most notorious structural conditions of autocracy (and, *ipso facto*, on democracy due to our mirror-image conceptualization). First and foremost, liberal hegemony has decreased the effect of modernization and regional diffusion, respectively. However, our additional argument is that it has simultaneously strengthened the impact of having a Muslim majority and being oil dependent.

Our empirical analyses largely corroborated both of these points. Furthermore, our analyses show that the importance of the structural constraints was actually on the increase in the first half of the third wave. Only the advent of liberal hegemony spurred the decrease that so many contemporary scholars point to. Accordingly, we have seen how the end of the Cold War (1989-91) paved the way for a lopsided shock, characterized by a steep decrease in the importance of *Regional diffusion* and a steep increase in the importance of *Muslim and Oil*. *Modernization* exhibits a more gradual decrease over the entire period 1973-2007, which should probably be attributed to the social learning of the actors.

The occurrences of 1989-91 thus make up a critical juncture of regime change inside as well as outside of the post-communist setting. But the patterns spurred by this juncture seem to depend on the exogenous factor of liberal hegemony, i.e., they are not self-enforcing. This is quite interesting when considering some contemporary debates. Scholars such as Diamond (2008) and Puddington (2008) have recently begun to argue that the liberal hegemony seems to be declining due to both general trends (the rise of undemocratic powers such as China) and more particular
occurrences (the Iraq War and the financial crisis). On this basis they warn about the coming of a new spread of autocracy. What can we say to these predictions based on our analyses?

Our figures clearly show that the impact of liberal hegemony has leveled off in the 2000s, both with respect to the general model and with respect to the individual factors. In fact, we have demonstrated that both of the twin dynamics produced by the shock in 1989-91 seems to be waning. Modernization and Diffusion now hold their own with respect to constraining autocracy whereas the impacts of Oil and Muslim have decreased slightly in the 2000s. This might be taken as evidence that liberal hegemony has indeed declined.

What is more, the contending forces might go to explain why this has so far not – in the aggregate – produced the backlash or reverse wave of democratization that Diamond (1999, 2008), among others, has been so busy in predicting. If liberal hegemony indeed has an asymmetrical impact on different structural constraints, the longer-term aggregate effect will be determined in the crossfire of these two contending dynamics. Based on our analysis this aggregate effect should indeed be negative, but not as starkly negative as one would expect without considering the lopsided dynamics. These are thus important issues which require further research.

Finally, a methodological point is also pertinent. Based on our analyses, there seem to be reason to be somewhat skeptical with regard to the increasingly dominant use of statistical time-series analyses (panel regressions) in studies of regime change. The methodological premise of these analyses is that the effects of the included factors should be constant across time – this is exactly why the time-series make it possible to rapidly increase the number of observations. What we have shown, however, is that both the extent and the character of the effects of our four most important explanatory factors (Regional diffusion, Modernization, Oil, and Muslim) change significantly, literally speaking, across time. This is not surprising considering our theoretical arguments about the impact of liberal hegemony (which is exogenous to the tested model). However, time-series analysis is ill-suited to capture such temporal dynamics, which – based on the present study – are indeed of the essence if we wish to understand the logic of regime change during the third wave.

---

6 Tellingly, Puddington (2010) recently emphasized the lack of such a backlash and on this basis concluded that the liberal hegemony must, in spite of all the arguments that could be wielded against it, obviously still be going strong.
References


Geddes, Barbara (1999). “What Do We Know about Democratization after Twenty Years.” *Annual Review of Political Science* 2: 115-144


