

## **“Democratic Leviathan”? State Capacity and Regime Change**

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### **Abstract**

This paper discusses the phenomenon and the concept of state capacity and different approaches to its conceptualization and measurement within the context of existing theoretical approaches to the relationship between state capacity and dynamics of regime change. We focus on three aspects/components of state capacity: (a) fiscal; (b) administrative; and (c) coercive and their measurements. Four hypotheses from the extant literature: (a) “State capacity first”; (b) “Democratization without state capacity”; (c) “State capacity and democratization in parallel”; and (d) “State capacity without democratization” are subject to empirical analysis. Preliminary conclusions and suggestions for further research follow the discussion.

*Keywords:* stateness, state capacity, democratization, regime change, regime transformations, sequencing, cluster analysis.

### **1 Introduction**

State capacity is one of the central concepts in current comparative political research – both theoretical and empirical. Since the 1980-s and even earlier, after a period of predominant interest in political systems, their structures, functions and components, the state, stateness and state capacity find themselves again in the center of intensive theoretical debates [Nettl, 1968; Tilly 1975; Evans, Reuschemeyer, and Skocpol, 1985; Spruyt, 1994; Frye, 2010; Migdal, 1988; etc.]. This shift of analytical focus has to do with a variety of factors, including changes in global political environment – the growing challenges of the quality of management in political and socio-economic development, the spread of the phenomenon of “failed” states, difficulties of democratization and state-building in developing countries, the collapse of the Communist system and emergence of new independent states, etc.

When, how, why, and what kinds of efforts may result in the emergence of a successful and well-functioning state? How do types and qualities of states, stateness and state capacity affect the outcomes of economic, social, political and human development, and vice versa? What is the relationship between stateness and state capacity, on the one hand, and political regimes and their transformations, on the other? In what sense stateness and state capacity are prerequisites to democracy and democratization, as is widely argued in literature? Are the levels and qualities of state

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capacity in autocracies higher than in regimes undergoing democratization? Are there types of states that are particularly disposed for democracy and democratization? Is there a generic logic of sequencing – strong state first, democratization later? Can state building and democratization complement each other? Is there a chance (and option) for a “Democratic Leviathan” to emerge in the processes of state building and democratization? These and other related questions are among theoretically and politically crucially important ones which are in the center of current debates in comparative politics [Fukuyama, 2007; Bratton and Chang 2006; Charron and Lapuente 2010; D’Arcy and Nistotskaya 2015; Fortin 2010; Fortin-Rittberger 2014; Berman 2007; Besley and Kudamatsu 2009; Back, Hadenius, 2008; Fortin, 2010; Hanson 2015; Mansfield and Snyder 2007; Mazzuca and Munck 2014; Moller and Skaaning 2011; Rose and Shin 2001; Slater 2008; Melville, Stukal, Mironyuk, 2013; etc.].

This paper attempts to contribute to these debates addressing specifically the relationship between state capacity and regime change. It is organized as follows – after the introduction (section 1) it starts with the overview of the literature and research problems (section 2); in section 3 hypotheses are formulated and data and research methods are presented; our empirical results related to our hypotheses are discussed in section 4; finally, in section 5 we present some preliminary conclusions and prospects for further research.

## **2 Literature**

### **2.1 State Capacity: Approaches to Conceptualization and Measurement**

Current discussions of state capacity have produced a variety of approaches and no widely recognized definitions. One possible conceptual departure point in this regard may be found in Huntington’s seminal distinction between “forms” and “degrees” of government: “The most important political distinction among countries concerns not their form of government but their degree of government” [Huntington 1968:1]. Within the context of the problems under consideration in this paper this distinction calls for special emphasis on the relationship between qualities and levels of state capacity and particular political regimes, as well as their mutually related dynamics. To proceed with this analysis, state capacity needs to be conceptually decomposed and its components need to be defined in a measurable way.

Helpful suggestions for this purpose are provided in Tilly’s basic argument according to which the key functions of the state are its capacities to extract resources and create administrative structures to manage those resources in order to wage wars [Tilly, 1990]. At least implicitly this argument contains a particular understanding of state capacity resulting from the quality of implementation of the two abovementioned state functions.

Current debates on state capacity are heavily influenced by Mann's differentiation of "despotic" (or "coercive") and "infrastructural" capacities of the state [Mann, 1984]. The first one at least partly refers to Weber's concept of the monopoly on legitimate violence as a *sine qua non* of the state (and thus state capacity). The second reflects the capacity of the state to formulate and implement its economic, social and other policies. This understanding of infrastructural capacity implies possible criteria for comparative evaluation of different states and largely remains at the core of current research on state capacity [Fortin-Rittberger, 2014; Soifer 2008; Soifer and Hau, 2008; etc.].

Extant literature presents various definitions and conceptualizations of state capacity, including its functions and components. Probably, one of the most general definitions of state capacity can be found in Kjaer and Thomsen: "State capacity is generally defined as the ability of the state to formulate and implement strategies to achieve economic and social goals in society" [Kjaer and Thomsen 2002:7]. However, there is no agreement on the key parameters of state capacity, its components, indicators and consequences, despite the long ongoing theoretical and methodological debates.

When it comes to more detailed definitions, there is significant variation in approaches. For example, Roberts and Sherlock (1999) suggest that state capacity may be conceptualized on the basis of three dimensions – institutional, political and administrative (which are, however, not sufficiently defined). Fukuyama's (2004) concept of stateness and state capacity includes such functions as defense and security, provision of law and order, guarantees of property rights, protection of the poor, effective macroeconomic management, provision of public goods like health and education, and also financial regulation, redistributive pensions, environmental protection, unemployment insurance, etc. Back and Hadenius (2008) define stateness as the capacity of state entities to maintain sovereignty. For Hendrix (2010) state capacity includes military capacity, bureaucratic or administrative capacity, and the quality and coherence of political institutions. Charron and Lapuente (2010 and 2011) equate state capacity with the quality of government. Thompson (2014) understands state capacity as "state strength" which includes coercive capacity, fiscal capacity, legitimacy and political stability. Savoia and Sen (2015) understand state capacity as a derivative of bureaucratic/administrative capacity, legal capacity, infrastructural capacity, fiscal capacity and military capacity.

Obviously, particular conceptualization of state capacity may lead to the selection of a variety of different empirical indicators [Soifer, 2008; Cingolani 2013]. According to one of the approaches in the literature we may distinguish two large groups of these indicators – first, *resources* available to the state for achievement of its strategic goals and second, *institutions* which are necessary for this purpose. However, attempts to empirically measure resources and institutions run into several problems.

One problem is how to measure available resources. For example, in some cases GDP per capita is used as criteria, although it certainly may be related not only to state capacity but to other

variables. For example, Gehlbach (2008) suggests levels of tax extraction as a measure of resources in defining state capacity. This would seem an appealing approach which is recommended by many other authors [Besley and Persson, 2010; Schmitter with Wageman and Obydenkova, 2008]. However, we need to take into account that tax share of GDP may reflect the structure of the national economy, rather than the extractive capacity of the state – in particular when dealing with resource oriented economies and their political preferences and institutions. Besides, this approach may not resolve the issue of “shadow” economy and its impact on state capacity [Ottervik 2013; Hendrix 2010]. It is also important to note that in many cases, particularly when dealing with postcommunist and developing countries, missing or insufficiently reliable data becomes a significant hindrance for comparative empirical studies.

Second problem has to do with the choice of different measurements of institutions and their quality. One option is to use available indices measuring quality of institutions of governance or some of their components – for example, Worldwide Governance Indicators (WGI), Quality of Government (QoG), International Country Risk Guide (ICRG), etc. Possible doubts in such cases are related to the often discussed issue of methodological integrity of these indices and the validity of using some of their separate components. Despite some concerns, many authors, nonetheless, prefer to rely on such indices [Charron and Lapuente, 2010 and 2011; Bratton and Chang, 2006; Back and Hadenius, 2008; Thompson, 2014, etc.].

Another option, also explored in the literature, is to select particular proxy variables to measure institutional quality in the empirical study of state capacity. For example, among favorite proxies is protection of property rights, contract enforcement [Soifer and Hau, 2008], and control of corruption [Back and Hadenius, 2008]. Another possible proxy – contract intensive money (CIM) – can be used as a measure of trust in financial and other institutions of the state [Fortin 2010]. Also physical integrity rights from Cingranelli-Richards Human Rights Data Project (CIRI) measuring the ability of the state to provide guarantees of personal security irrespective of the regime type can be used as a proxy for measuring important aspects of state capacity.

These efforts point to another set of larger methodological problems of conceptualization and measurement of state capacity and its components. In the first place one needs to deal with the conceptual and methodological distinction between *determinants* and *effects* of state capacity as current literature does not provide us with a more or less clear understanding of the direction of causality. For example, GDP per capita may have an influence on state capacity (economic development as a factor in building stronger state capacity of a higher quality and level) but also may reflect it. We may encounter similar ambivalences when exploring the relationship between state capacity and human development or political regimes, etc.

Further, depending on a particular research design we may choose to use state capacity (whatever conceptualized and measured) as a *dependent* or *independent* variable. As a dependent variable it helps us to understand how various factors – economic, social, political, and demographic and others – affect different qualities of state capacity in different countries or at different periods of time. In case of an independent variable, state capacity is considered as a factor which may influence different effects and outcomes – including levels and types of economic and social development, provision of public goods, human capital development, status and influence of states in the international system, state building and state failure, political regime dynamic, etc. There is extensive recent literature exploring both research options, however, we may repeat, causality arrows remain unclear.

Dealing with another methodologically important choice between “*hard*” (“objective”) and “*soft*” (“subjective”) indicators of state capacity one may be confronted with a dilemma – to rely on existing or specially constructed empirical data sets or to use expert assessments and public opinion. In case one’s reliance is on empirical data sets (with all the consequent limitations) it may be important to choose between “direct” indicators, which in this context are largely problematic, or alternative proxy variables which also may be used to construct composite indices. Both options are suggested in the literature [Magalhaes, 2014; Luna and Soifer, 2015], however, there are very few attempts to empirically test them.

Last but not least, there is another problem of measurement which is directly related to the set of indicated conceptualization problems. In the existing literature it is often assumed that in a comparative research in order to empirically access the quality (or levels) of state capacity of particular countries and to compare them one needs to aggregate in one composite index different aspects (or components) of state capacity. Unfortunately, we do not know if these aspects/components in concrete contexts and situations actually work ensemble or in particular cases one aspect of state capacity may have priority over the others in terms of the chosen policy strategies [Hanson 2016]. Which may probably mean that instead of measuring state capacity *per se* we may need to pay attention to the *role of different state capacities in different particular cases*? Besides, the methods of aggregation of different aspects/components of state capacity into one composite index are usually not specified in the literature.

To sum up, extant literature provides us with different conditional approaches to conceptualization and measurement of state capacity with their own pros and cons. Even more – at the moment there seems to be no perfect solution to the abovementioned conceptual and methodological problems. However, in order to proceed with the outlined research plan we may need to assume some preliminary assumptions which are congruent with the literature and provide us with a concrete research design for this paper.

In line with the literature and the proposed research design in this paper we concentrate on three components of state capacity – (a) *fiscal*; (b) *administrative*; and (c) *coercive* – and look for their available measurements. Fiscal (or extractive) capacity may be understood in terms of the extraction of resources from the population in order to channel them to the solution of the problems of the state agenda. Among possible indicators of this capacity remains (with abovementioned limitations) the ratio of taxes collected to GDP. There may be other options as well – for example, the ratio of only income taxes to GDP, the ratio of income taxes to total taxes, the ratio of all taxes (except for trade and indirect) to the all taxes in general, the annual per capita tax revenue, the ratio of real value of extracted taxes to the expected value, evaluated on the socio-economic predictors [Besley and Persson, 2010; Schmitter with Wageman and Obydenkova, 2005; Gehlbach, 2008; Fykuyama 2004; and others].

Administrative (or bureaucratic) capacity reflects the ability of a modern state to define and effectively implement its policies of “good governance” – ensuring the property rights protection, contract enforcement, effective regulation, internal security base on law and order, etc. However, we again need make a choice between possible empirical indicators. One possibility is to use existing datasets on quality of government – Quality of Government (QoG) version of project of the Gothenburg University [Teorell et al., 2015], Worldwide Governance Indicators (WGI) [Kaufmann, Kraay, Mastruzzi, 2011], calculated using the world Bank methodology [see Charron and Lapuente, 2010; Bratton and Chang, 2006], International Country Risk Guide [International Country Risk Guide, 2007; Back and Hadenius, 2008]. Alternatively, we may use different proxies – like property rights and contract enforcement [Soifer and Hau, 2008], control of corruption [Back and Hadenius, 2008], “physical integrity” [Cingranelli, Richards, 2010], contract-intensive money (CIM), the IMF indicator of confidence in financial institutions [Fortin, 2010], the share of private credit in GDP [Persson and Besley, 2009], the index of ease of doing business [Cardenas, 2010], etc.

Finally, the coercive component of state capacity derived from the logic of Weber and Mann may also be operationalized in various indicators – the share of military personnel from the total population or labor force, military expenditures per capita or as a percentage of GDP, the degree of legal control of political institutions over the military from the Institutional Profiles Database [Institutional Profiles Database III, 2009], the degree of the ownership of the monopoly on the use of power on its territory from Bertelsmann Transformation Index [Fortin-Rittberger, 2014; Thompson, 2016], etc.

As we can see, there are quite different approaches and options for operationalization of state capacity and its components. After all, the choice of empirical indicators and methods of their aggregation depends on the particular research design. In this paper the major concern has to do with

the relationship between state capacity and regime transformations. We continue with the overview of the literature dealing with these issues with the special focus on the sequencing problem.

## **2.2 State Capacity, Regime Transformations, Democratization and Sequencing**

The basic thesis which regards state, stateness and state capacity as prerequisites for democracy and democratization is commonplace in comparative politics literature [Rustow, 1970; Tilly, 2007; Linz and Stepan, 1996; Fukuyama, 2004 and 2007; Mansfield and Snyder, 2007; Moller and Skaaning, 2011, etc.]. This assumption leads to important theoretical and practical implications, related to the sequencing problem and implying a widespread argument, which suggests that the effective and competent state must come first, followed – hopefully – by democratization later.

But in what sense are state, stateness and state capacity prerequisites to democracy and democratization? States are not alike, in the real political world there are different types of states with different evolutionary stages, resources, capacities, priorities, and political regimes (Melville et al. 2010). Are there any types of states that are particularly disposed to further democratization? This problem of sequencing is of special importance for transitional states of the “third wave” that face the simultaneous challenges of state-building, nation-formation, economic reforms and regime transformation. Important conceptual and policy questions emerge in this context. Can state building and democratization complement each other instead? Can democratization start and be successful at the low and medium levels of state capacity?

There is also another theoretically and methodologically important aspect of these problems related to the dynamic of state capacity within the context of regime change, and democratization in particular. Namely, is this dynamic a linear process (i.e. enhancement or deterioration of state capacity as a whole) or different components of state capacity may evolve in different direction and with different speed? Available theoretical and empirical literature does not give an answer.

According to many studies, relatively high levels of state capacity contribute to the stabilization of authoritarian regimes and hinder democratization, but they also contribute to survival of new democracies [Kuthy, 2010]. Another common conclusion is that democratization weakens state capacity in the initial stages of regime change [Schmitter, Wageman, Obydenkova, 2005; Back, Hadenius, 2008].

At the same time extant literature dealing with the problems of state capacity and regime transformations is enormous. The basic mainstream argument is, put simply, as follows: No state, no democracy. This argument seems to be theoretically and empirically unquestionable. Indeed, there is hardly any doubt that democracy assumes a capable state and cannot exist in a vacuum of stateness and state capacity. However, recent debates have outlined different and alternative approaches to various

forms of relationships between types and levels of state capacity and regime change, including the problem of sequencing. Several approaches in the literature can be identified:

(1) *“Stateness and State Capacity First”*.

This powerful argument advances the mainstream logic: high levels and quality (qualities) of state capacity including availability of necessary resources and effective institutions are necessary prerequisites for democracy and indispensable preconditions for successful democratization [Back and Hadenius, 2008, Moller and Skaaning, 2014; Fortin, 2010; etc.]. D’Arcy and Nistotskaya (2016) have recently attempted to advance this approach arguing that credible enforcement is a precondition for credible commitment and that democratization may be more effective after state capacity attains a particular quality and level. This conclusion is hardly arguable and is in line with other research findings, however, there may be another way to look at the problem of sequencing – can both processes advance together and reinforce each other?

Among the propositions related to the issue of state capacity and regime change and quite widespread in literature the *J-curve* is quite notable. Its theoretical grounds may be found, for example, in Tilly’s (2007) classification of “crude regime types” along two axes (state capacity and democracy): “high-capacity/undemocratic” (Tilly’s example is Kazakhstan); “low-capacity undemocratic” (example – Somalia); “high-capacity/democratic” (example – Norway) and “low-capacity/democratic” (example – Jamaica). Tilly’s theoretical propositions seems to be confirmed by recent research [Back and Hadenius, 2008; Charron and Lapuente, 2010; Fortin 2011; Moller and Skaaning 2011, etc.]. The argument is the following: the highest levels of state capacity are attained in developed democracies, but its substantially high levels can be found in autocracies and they are much higher than those in transitional regimes. In a way, this is an argument in favor of the “Stateness and State Capacity First” approach in the sequencing debate under consideration.

One may go on with this reasoning and presume that there is certain logic in the sequencing of reforms in countries undergoing transitions. It implies a priority of building a strong state and strengthening the “vertical of power” eventually followed by democratization which otherwise is fraught with the risk of losing control, chaos and even collapse of a state. If this is true, then one of the major problems of the democratic transition is how to get through this “danger zone” as the political and economic reforms may contribute to the weakening of state capacity, deterioration of socio-economic situation, degradation of governance and growing discontent among large groups of population that do not gain anything from the reforms.

(2) *“Democratization without a State”*.



In the literature one may also find an alternative approach which assumes that democratization may proceed in the absence of effective state and high levels of state capacity. In fact, this is a logically possible but practically and substantially almost untenable hypothesis. Tansey (2007 and 2009) gives only few examples, which still look dubious: Kosovo and East Timor. Scheuerman (2009) refers to globalization and transnationalization as factors that may eventually decrease the relevance of sovereign stateness to democratization. In any case, this is a pretty marginal argument in the literature.

(3) *“Democratization Backwards”/“Building the Ship of State at Sea”*.

Many authors point at historical regularity in European state-building starting from at least the 16th century. According to this argument, “modern” states (“born in blood” as Tilly would say) appeared first, and democratic practices and institutions came about gradually later. Other authors, though, question the universal character of this regularity at least within the context of the last decades of the “third wave” and argue for the so-called “democratization backwards”, i.e. parallel and complimentary to the processes of state building in new transitional states. Rose and Shin (2001), for example, provide empirical grounds to the thesis of the possibility of “Building the Ship of State at Sea”, i.e. building new institutions of democratic governance in transitional states of the “third wave” (thus bypassing the preliminary phase of building institutions of effective authoritarian governance). Bratton (2004); Bratton and Chang (2006) and Carbone and Memoli (2012), come to similar conclusions using different methodologies. Fortin (2011) underlines the problem of endogeneity in the issues under consideration and, since the direction of causality remains unclear, tends toward the conclusion that state-building and democratization may complement each other. Mazzuca and Munck (2014) provide empirical evidence that democracy and democratization may contribute to state-building in developing countries. This conclusion is supported by Slater (2008).

Important issues, however, remain undisclosed. For example, some authors raise the problem of a minimal threshold of stateness, understood as effectiveness of governmental institutions, which is indispensable for the beginning of democratization (Capelli, 2008; Hanson, 2012; Fortin, 2011). This important problem is formulated in the literature, although adequate theoretical and empirical arguments are largely insufficient.

(4) *“Stateness without Democratization”*.

There is also another approach in the literature which assumes that in the situation of the “authoritarian equilibrium” and durability of autocratic state there may be no incentives for regime change. The basic argument is that the attained quality of state capacity in authoritarian regimes may work as a powerful disincentive to democratization [Wintrobe, 1990; Clague et al., 1996; Weede, 1996; Bueno de Mesquita et al., 2003; Haber 2006; Gandhi, Przeworski, 2007; Besley, Kudamatsu,

2009; Svolik, 2012; Boix, Svolik, 2013; Roller, 2013; McGuire, 2013; Guriev, Treisman, 2015; Knutsen, Nygård, 2015, etc.]. However, it remains unclear to what extent and in which contexts authoritarian durability may result not from the high levels of state capacity but on the contrary – from “bad governance” and poor institutions [Melville and Mironyuk, 2016].

As we can see, from the conceptual point of view, these alternative approaches may be hardly compatible as there are sufficient pros and cons working both ways. However, the review of current theoretical and empirical literature on state capacity and regime transformations, including the sequencing debate, leads to a set of hypotheses which are further addressed in this paper in an experiment of empirical analysis.

### **3 Hypotheses, Data and Methods**

#### **3.1 Hypotheses**

Critical analysis of the literature in section 2 of this paper leads us to the following research hypotheses:

H 1. *Contrary to the mainstream literature, high levels of state capacity may not be indispensable prerequisites for democratization.*

H 2. *Building state capacity and democratization may constitute two complementary processes.*

H 3. *Durable autocracies may provide high levels of state capacity.*

In order to test these hypotheses we provide a cross-country analysis of coevolution patterns of state capacity and regime change. We observe empirical data on the three abovementioned components of state capacity and political regimes using descriptive statistics and perform cluster analysis of the trajectories of state capacity dynamics and regime changes and compare them.

#### **3.2 Dataset: Coverage and Variables**

Our dataset covers the period from 1992 to 2011 and includes 162 countries. One important caveat: during this period quite a few of the countries under consideration experienced a variety of non-linear regime changes (“ups” and “downs” of democratization, authoritarian reversals, hybridization, etc.) which is reflected in the clusters presented below. Regime trajectories are observed as an average of the data from Polity IV and Freedom House. This data is standardized to the interval from 0 to 10. Three components of state capacity are measured using several proxy variables and aggregated in one index using principal component method.

Due to the abovementioned constraints concerning the data availability, fiscal component of state capacity is measured using GDP per capita averaged indicators from the Madison project dataset [Bolt, Zanden, 2014] and the World Penn Tables [Feenstra, Inklaar, Timmer, 2015] and the indicator

of the Relative Political Capacity (ratio of actual values of the various economic indicators of the country, including tax extraction expected on the basis of the predictors of socio-economic development of the country) from the dataset Relative Political Capacity Dataset [The performance of nations, 2012]. Indicators are multiplied, and then we use the logarithm of the result and make its z-standardization based on the year of observation.

Administrative component of state capacity is measured on the basis of the average from the available pre-aggregated and standardized data using the principal component method or z-transformation indicators of governance quality for a given country in a given year (components Investment Profile, Corruption, Bureaucracy Quality, Socioeconomic Conditions from the dataset International Country Risk Guide) [International Country Risk Guide, 2007]; components Government Effectiveness, Regulatory Quality and Control of Corruption from the dataset Worldwide Governance Indicators [Kaufmann, Kraay, Mastruzzi, 2011]; the Physical Integrity Rights from the Cingranelli-Richards dataset [Cingranelli, Richards, 2010].

Coercive component of state capacity is calculated as an average from the available indicators for a given country in a given year: indicators of Government Stability, Internal Conflict, Law and Order from the dataset International Country Risk Guide; Stability, No Violence and Rule of Law from the Worldwide Governance Indicators, aggregated by the principal component method; standardized z-transformation of the index of internal conflicts intensity from the dataset of Major Episodes of Political Violence [Marshall, 2016a]; and standardized for each year z-transformation of the logarithm of military expenditures per capita from the dataset of the National Material Capabilities version 4 [Singer, Bremer, Stuckey, 1972].

### 3.3 Methods: Descriptive Statistics and Cluster Analysis

The first methodological step of our research design is careful study of descriptive statistics, including the components of state capacity. Correlation data table according to various aspects of state capacity can be seen in table 1.

	<b>Fiscal</b>	<b>Administrative</b>	<b>Coercive</b>
<b>Fiscal</b>	1.0000		
<b>Administrative</b>	0.66	1.0000	
<b>Coercive</b>	0.78	0.73	1.0000

Table 1. Pairwise Spearman's correlations between measurements of different components of state capacity.

We can see from the correlation coefficients that the coercive component of state capacity is of primary importance as compared with other components. This may be the empirical evidence in favor of a theoretical assumption that legitimate violence and credible enforcement are among the most

fundamental and primary features of the state *per se*. Fiscal and administrative capacities develop at later stages of state-building.

The second methodological step is clustering (according to the Ward's method) of the trajectories of regime changes and dynamics of state capacity using our dataset. Clusters created on the basis of the criteria of (1) *regime trajectories* can conditionally be identified as: (a) democracy during the whole period; (b) autocracy during the whole period; (c) democratization trajectories; (d) transformations of hybrid regimes towards flawed democracies; (e) transformations of hybrid regimes gravitating towards autocracies.

Clusters created on the basis of trajectories of (2) *state capacity dynamics* can conditionally be identified as: (a) high state capacity during the whole period; (b) low state capacity during the whole period; (c) relatively high state capacity during the whole period, with a trend to increase; (d) relatively low state capacity during the whole period with a trend to increase; (e) decrease of state capacity.

The third step is a comparative analysis of the dynamics of state capacity and regime trajectories between two sets of clusters and an attempt to test the hypothesis. It is important to note in this regard that due to the abovementioned temporal discrepancy of regime trajectories in some countries of our sample, these countries may be found in different clusters during different periods.

## 4 Discussion

The widespread argument about strong and positive correlation between democracy and state capacity finds empirical evidence: countries such as USA, Canada, UK, Ireland, Netherlands, Belgium, Luxembourg, Switzerland, Germany, Austria, Finland, Sweden, Norway, Denmark, Australia, New Zealand, France, Spain, Portugal, Italy, Greece, Cyprus, Chile, Taiwan, Republic of Korea, Japan, Botswana, Mauritius, Slovenia, Estonia, Hungary, the Czech Republic, Poland, Latvia, Lithuania and Slovakia demonstrate high scores (though of different degrees) both on democracy-autocracy index and on state capacity index.

However, countries with imperfect democratic regime (about 7 on a standardized 0 to 10 scale) arouse at least some suspicions about the universality of this correlation. States like Guyana, Ecuador, Honduras, Nicaragua, Benin, Madagascar, Ghana and Moldova, despite the relatively democratic (though far from perfect) character of their political regimes, are much less solid in terms of state capacity and do not demonstrate any positive dynamics in this regard.

There are also cases of democratic developments (though with very different degrees of success) occurred without strengthening state capacity or even with its reduction – Argentina, Venezuela, Burkina Faso, Tanzania, Liberia, Sierra Leone, Burundi, Kenya, Nigeria, Indonesia, Nepal, Bangladesh, Philippines, Bulgaria, Romania, Russia (in the first half of the 1990s), etc. These

cases do not confirm the widespread thesis that relatively high level of state capacity is a prerequisite for democratization.

On the contrary, when we focus specifically on the dynamic aspects of the abovementioned correlations, there is evidence that the processes of democratization and state-building and enhancement of state capacity may be complementary. These seem to be the cases of such countries as Dominican Republic, El Salvador, Panama, Trinidad and Tobago, Costa Rica, Bolivia, Uruguay, Jamaica, Brazil, Peru, Namibia, Niger, Comoros, Mozambique, Malawi, Mali, Zambia, Cape Verde, Botswana, Mauritius, South Africa, Lesotho, Senegal, Guinea-Bissau, Lebanon, Bhutan, Thailand, Fiji, Slovakia, Yugoslavia (Serbia and Montenegro), Bosnia and Herzegovina, Poland, Latvia, Lithuania, Mongolia. (Within brackets, we should underline that this group of countries is far from homogeneous and we are actually dealing with pretty different levels of democracy and state capacity).

*These results provide some important evidence in favor of our hypotheses 1 and 2.*

Our empirical record also demonstrates that the majority of authoritarian regimes possess rather low state capacity and that its increase in autocracies is rare. Almost “ideal” autocracies – Cuba, Sudan, Somalia, Ethiopia, Chad, Mauritania, Egypt, Iran, Iraq, Afghanistan, Myanmar, North Korea and Tajikistan – have low levels of state capacity (although in different degrees). There are, however, “anomalies” – Qatar, United Arab Emirates, Oman, Kuwait, Saudi Arabia, Bahrain and (a very special case, though) Singapore – have relatively high levels of state capacity. This evidence reinforces the thesis that the relationship between political regimes and state capacity is far from linear. Furthermore, one can see ambivalent results when comparing the dynamics of state capacity in authoritarian regimes or regimes drifting in autocratic direction. In a few non-democratic countries we may witness some relative growth (in different degrees) of state capacity – China, Vietnam, Azerbaijan, Cambodia, Uganda, etc.

Finally, the dynamics of state capacity and regime transformations in “hybrids” also demonstrate pretty ambivalent trajectories. In some cases we can see some marginal increases in state capacity (Guatemala, Colombia, Papua New Guinea, Turkey, Albania, Georgia), yet in other cases one can see the opposite trend (Mexico, Paraguay, Malaysia, Sri Lanka, Ukraine).

*These mixed results do not allow us to confirm or reject our hypothesis 3.* Obviously, a more nuanced in-depth analysis is need.

## **5 Conclusions**

State capacity and regime change remain at the center of intensive theoretical and political debates. State capacity in current literature is conceptualized in many different ways and different empirical indicators are suggested. Nonetheless, there is a more or less common agreement about three major components of state capacity – fiscal, administrative and coercive, which in some way reflect

resources and institutions available for the implementation of particular state policies. However, comprehensive empirical studies are very rare, which calls for a special research focus.

This paper contributes to the discussion with an attempt to suggest possible empirical indicators of state capacity and to check them in a comparative analysis of regime trajectories and dynamics of state capacity. The results (with all their limitations) tend to confirm our hypotheses 1 and 2, namely, that high levels of state capacity may not be indispensable prerequisites for democratization and that building state capacity and democratization may constitute two complementary processes. At the same time empirical evidence related to our hypothesis 3 is ambivalent.

In other words, returning to the title of the paper: building the “Democratic Leviathan” in the context of both processes is a possibility. Whether this possibility becomes a reality depends on many other factors, including the strategies and choices made by key political actors, which presents an exciting agenda for a more deep research in the future.

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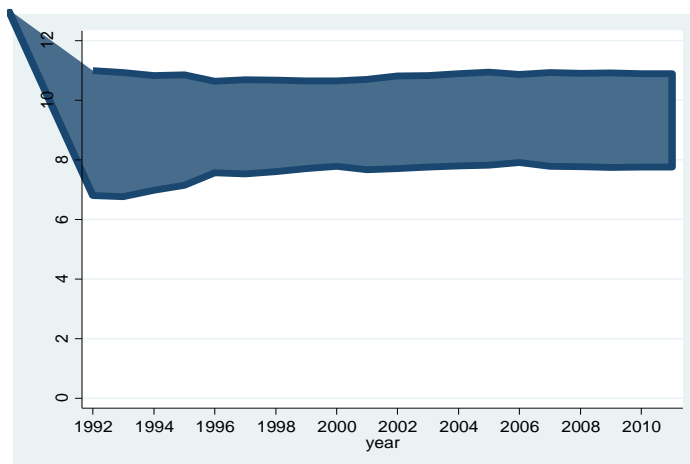
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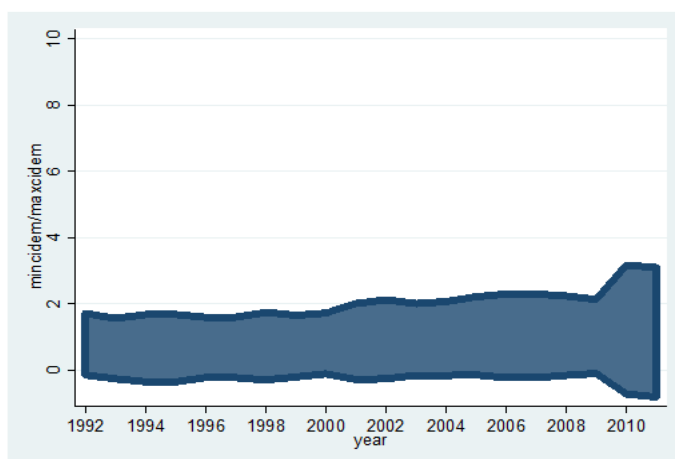
## Appendix

### (1) Clusters of regime transformations

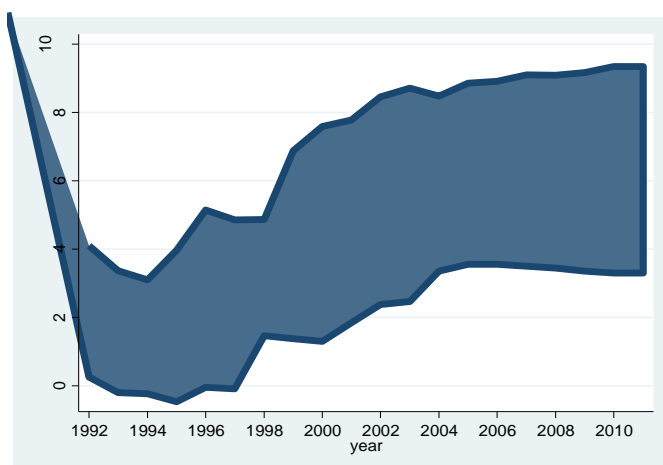
#### (a) Democracy during the whole period



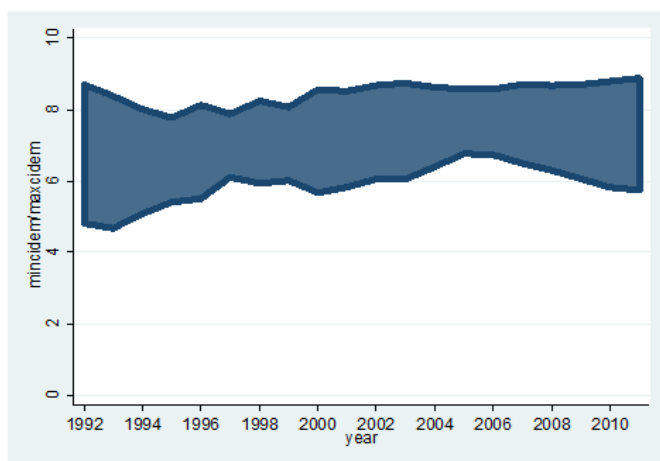
#### (b) Autocracy during the whole period



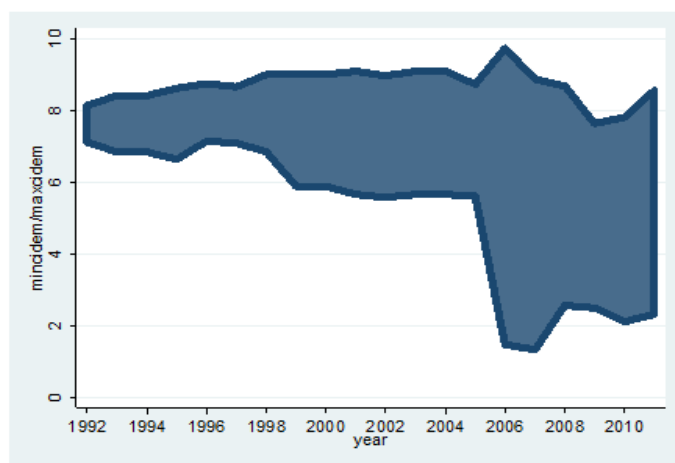
#### (c) Democratization trajectories



(d) Transformations of hybrid regimes gravitating towards flawed democracies

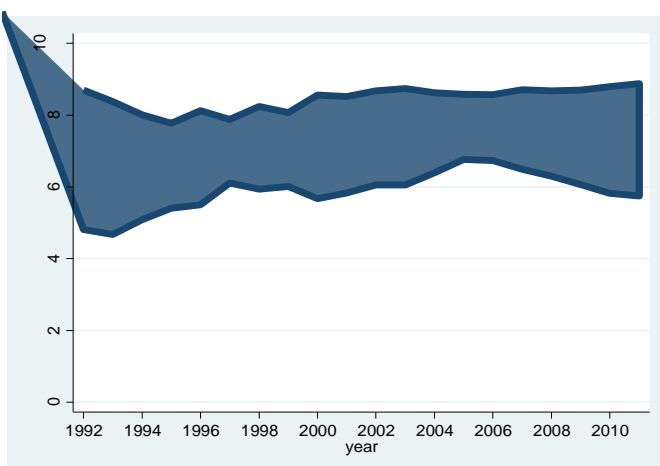


(e) Transformations of hybrid regimes gravitating towards autocracies

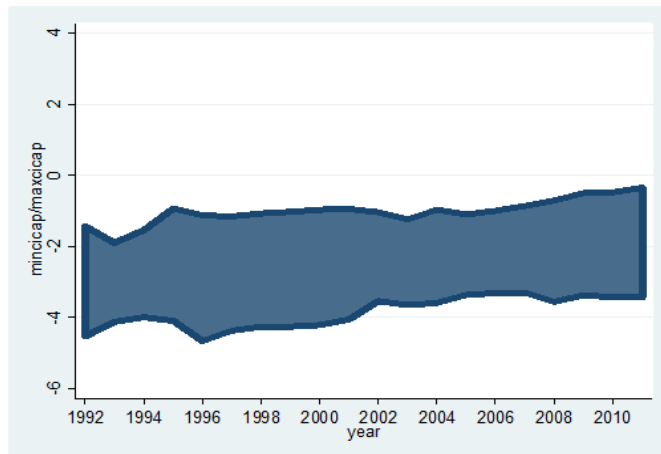


(2) **Clusters of state capacity dynamics**

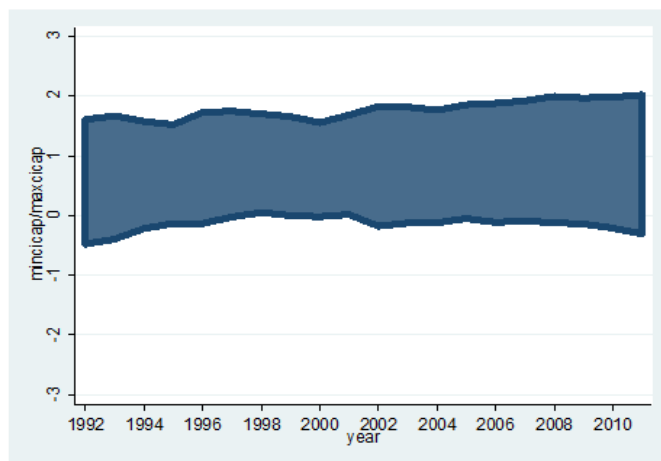
(a) High state capacity during the whole period



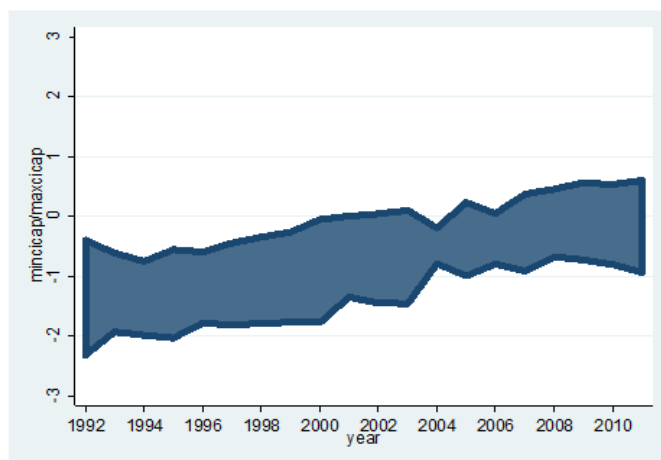
(b) Low state capacity during the whole period



(c) Relatively high state capacity during the whole period, with a trend to increase



(d) Relatively low state capacity during the whole period, with a trend to increase



(e) Decrease of state capacity

