Pillars of Prosperity

The Political Economics of Development Clusters

A TEN YEAR UPDATE

Chapters 5, 6 and 7: State Spaces, Development Assistance and Political Reform

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Outline

1. Introduction
2. Chapter 5: State Spaces
3. Chapter 6: Development Assistance
4. Chapter 7: Political Reform

Introduction

- Here we reassemble the charts and tables from Chapters 5, 6 and 7 of Pillars, comparing the main correlations with our new *Pillars 2.dta*.
- Due to the relatively few charts across chapters 5, 6 and 7, we put all of the updates for these chapters into this one set of slides.
  - Old charts are placed on the left, and new charts on the right.
  - All new charts used the new data for an updated cross-section ten years later.
  - All collective capacity charts are brand new and did not feature in Pillars.

Chapter 5: State Spaces

- The following slides in this section replicate the figures from Chapter 5 of Pillars.
  - Many of the figures in this chapter replicate those in chapter 1, and hence are omitted from these slides.
- We also include new figures for collective capacity.

Figure: Original Cross-Section, Old Data

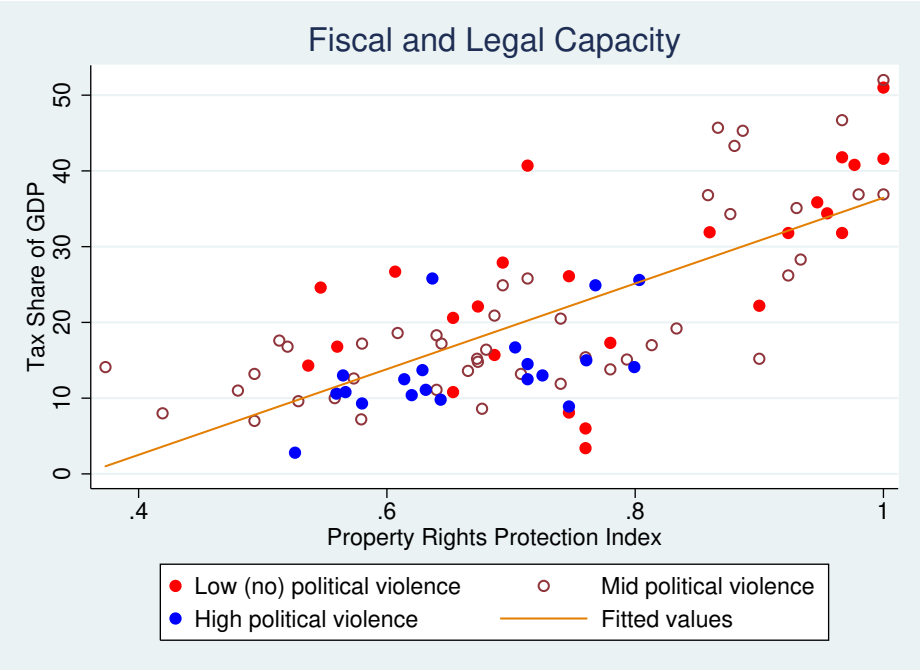
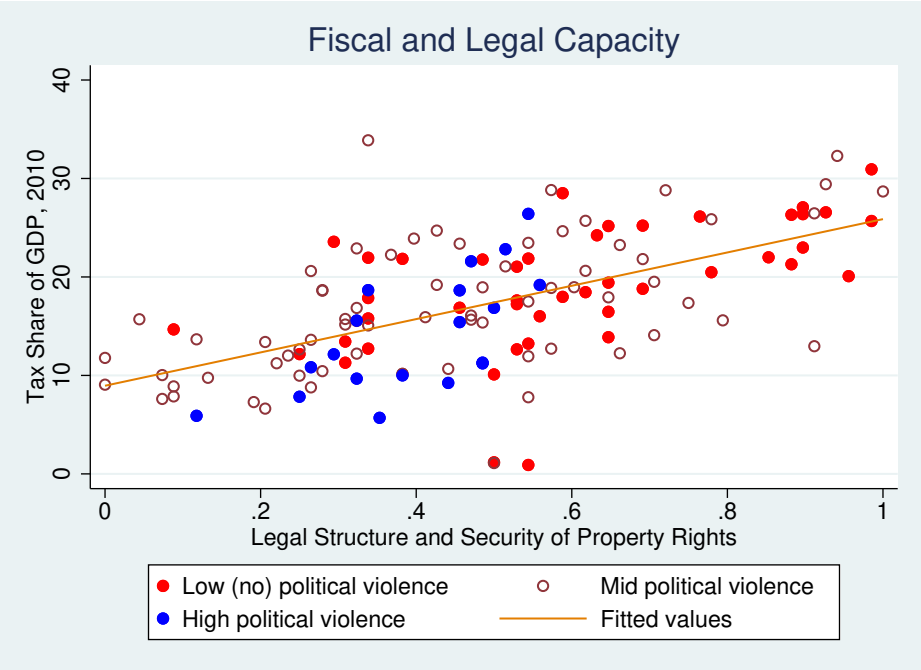
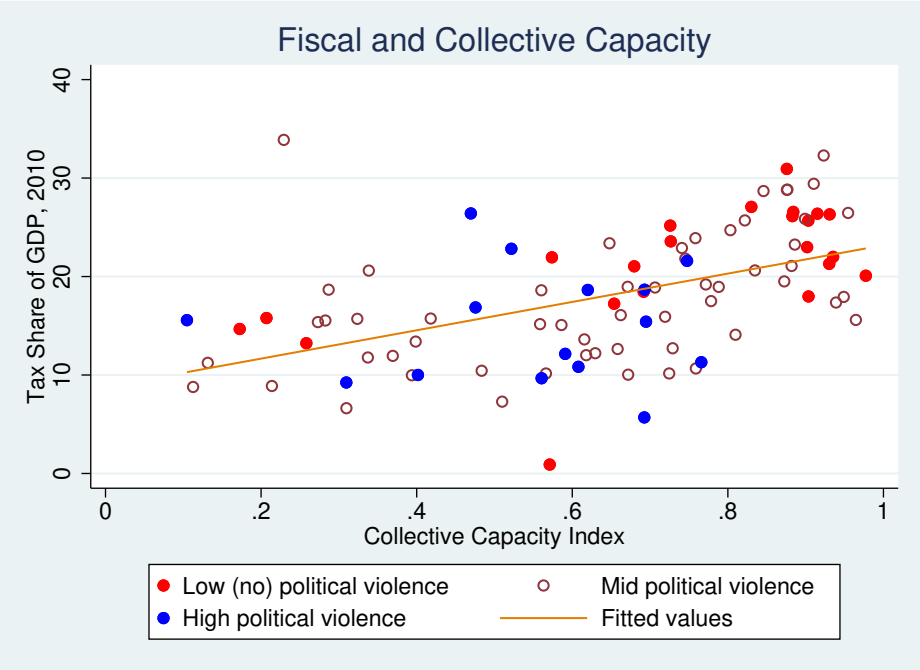
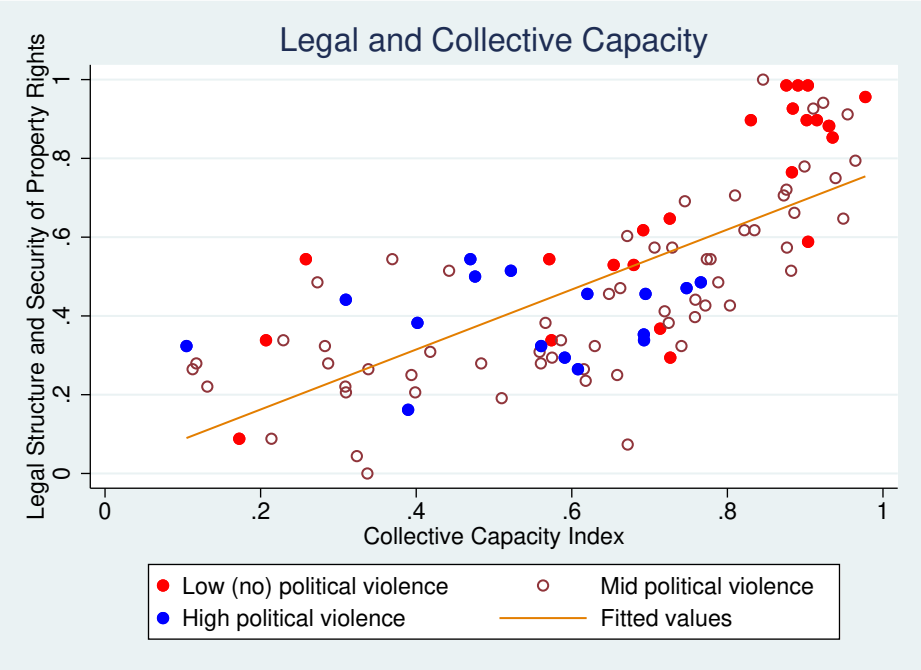


Figure: New Cross-Section, New Data



Collective Capacity

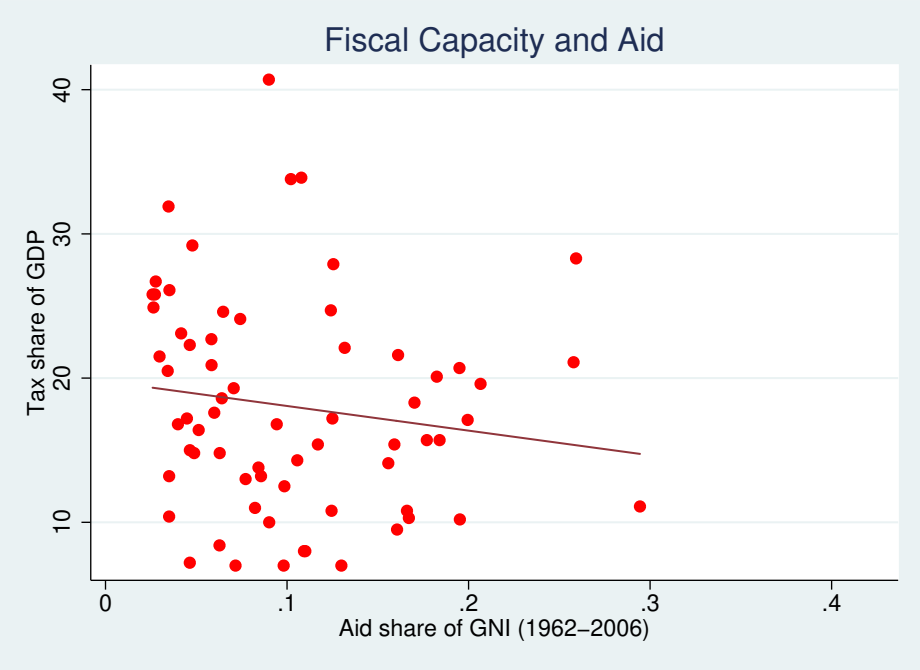


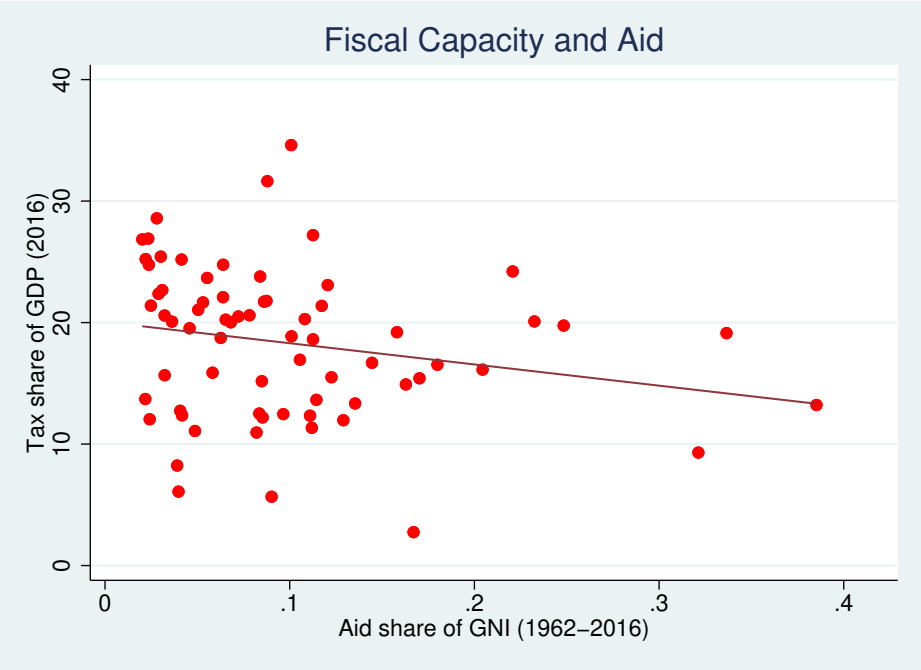


Chapter 6: Development Assistance

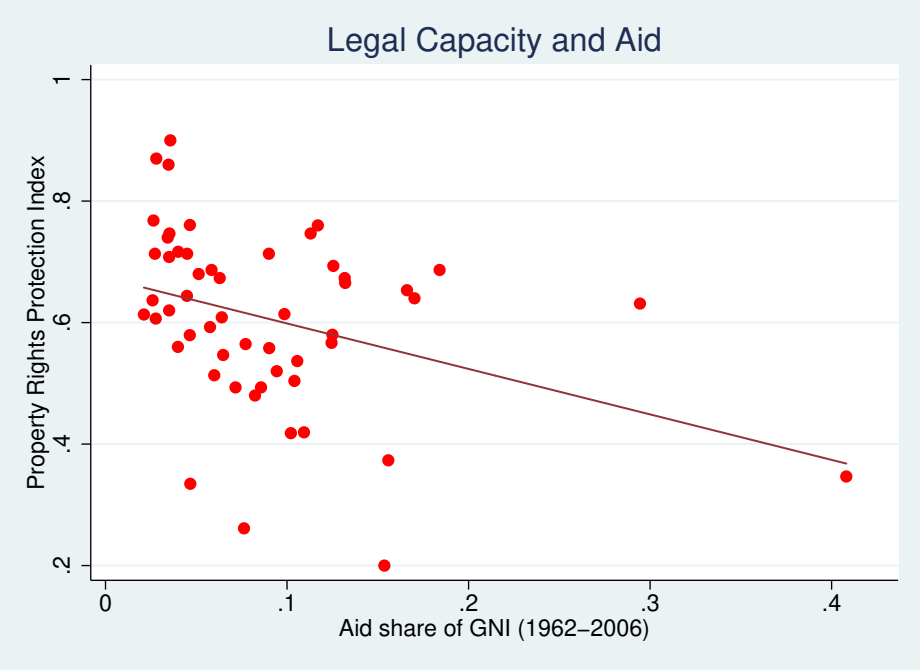
- The following slides in this section replicate the figures from Chapter 6.
- We also include new figures for collective capacity.
- As indicated by the following charts, even using the new data, and for a cross-section ten years later, aid as a share of GNI is inversely correlated with all three dimensions of state capacity.
- Again, albeit pure correlations, this is broadly the argument Deaton (2014) puts forward, that aid can be inimical to development due to chronically low levels of state capacity.
  - Although scholars such as Jeff Sachs have argued against this claim.
  - See 'Notes on the Literature' of Chapter 6 in Pillars for literature review.

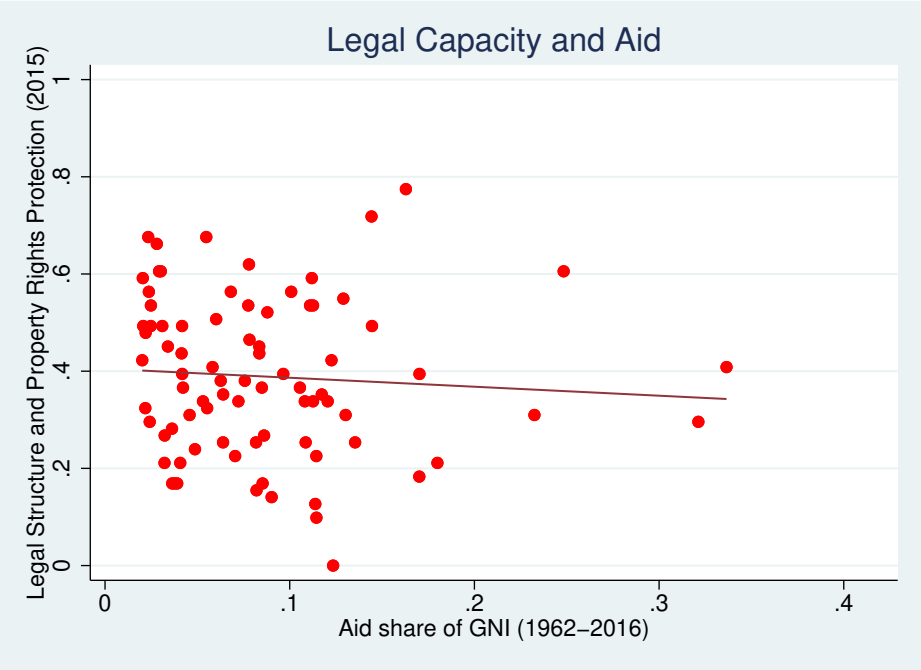
Fiscal Capacity and Aid



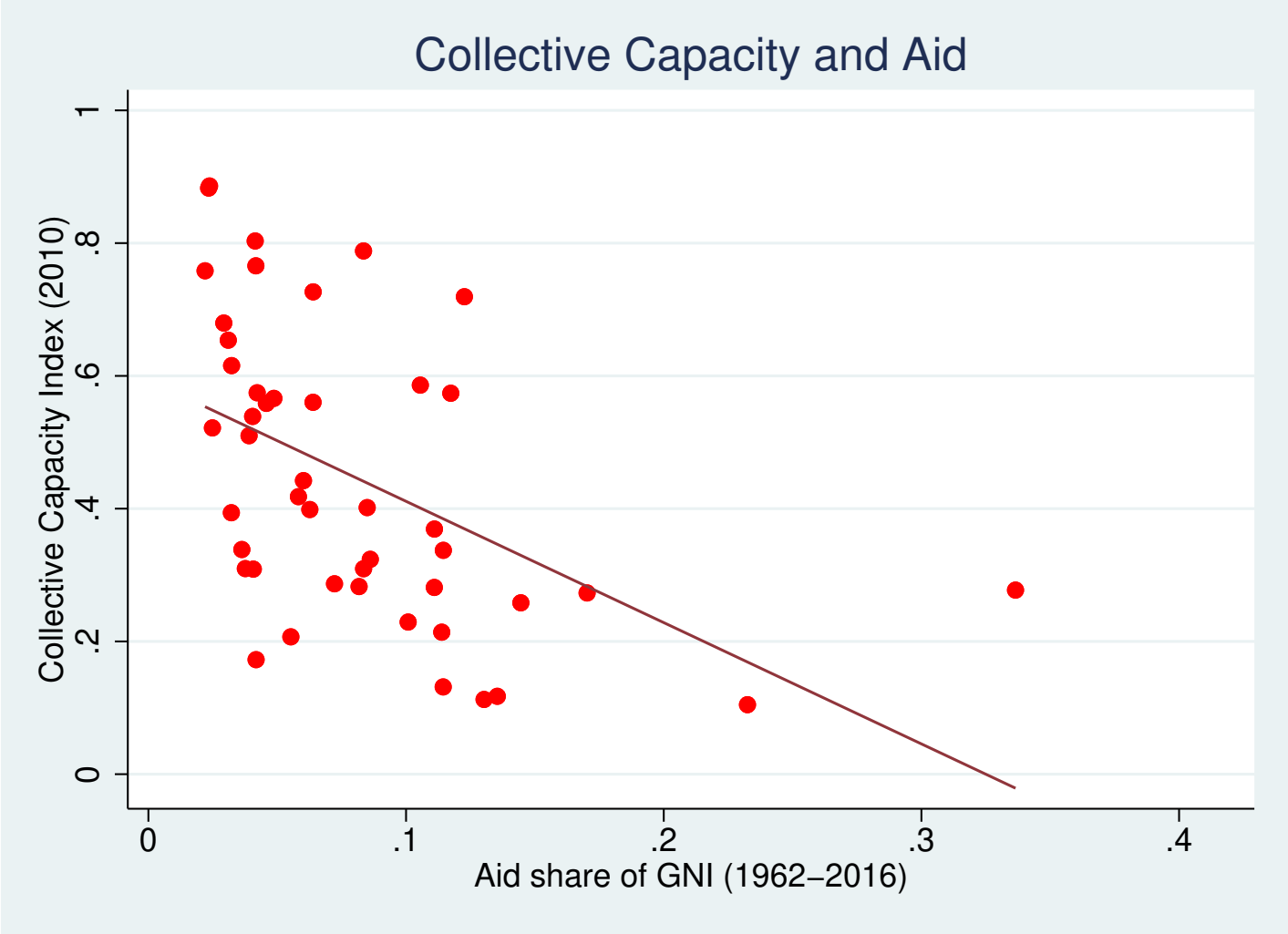


Legal Capacity and Aid





Collective Capacity and Aid



Chapter 7: Political Reform

- In the next slide we plot the proportion of countries with high executive constraints, measured as having the maximum score of 7 using Polity's *xconst* variable.
- In Pillars, we only looked at 51 countries that had consistent non-missing data all the way back to 1800.
- As part of this update, we extend the country coverage to 189 countries by focusing on those countries that have consistent non-missing data back to 1900, given this is the starting period of the chart.
  - The dotted line shows the start of the additional observations, given the original chart stopped at 2000.
- As illustrated, and even using V-Dem's executive constraints measure for robustness, the proportion of countries with strong executive constraints has continued to rise since 2000.
  - However, this has started to decline since about 2008; a manifestation of the current democratic recess phenomenon.

Prevalence of high executive constraints – chart

Figure: Old (51 countries)

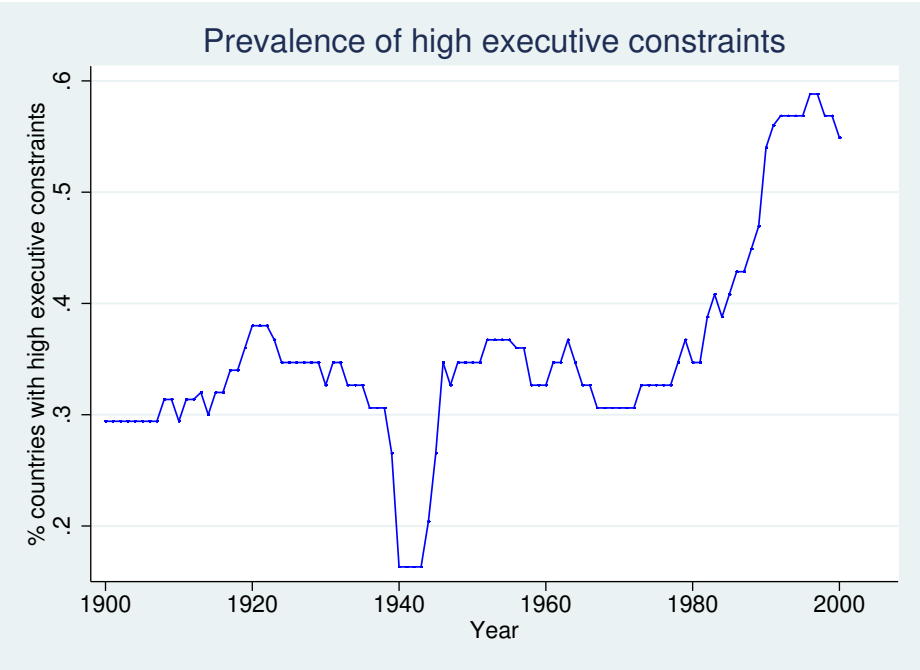
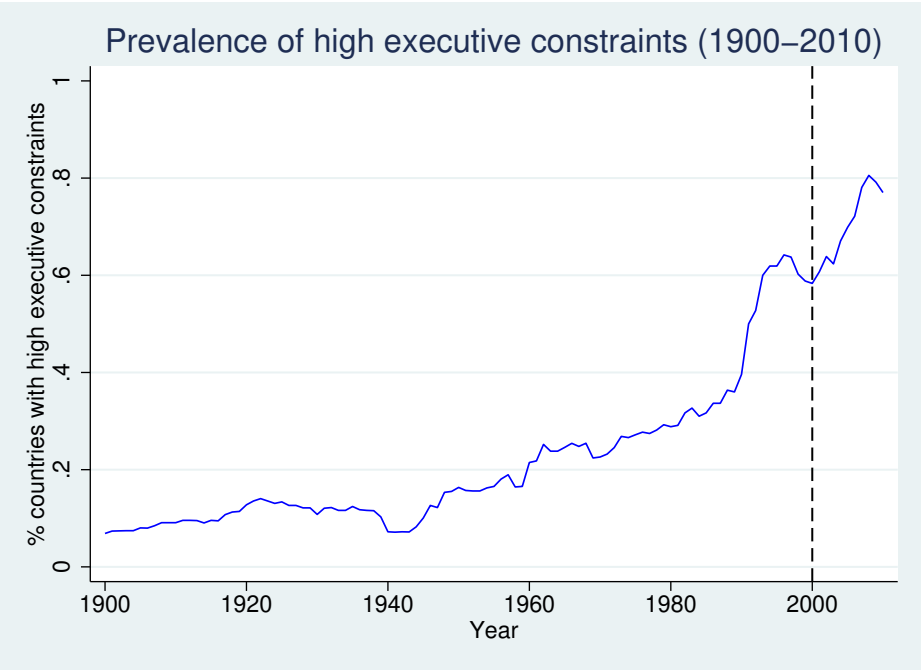


Figure: New (189 countries)



Prevalence of high executive constraints (robustness)

Figure: Polity (189 countries)

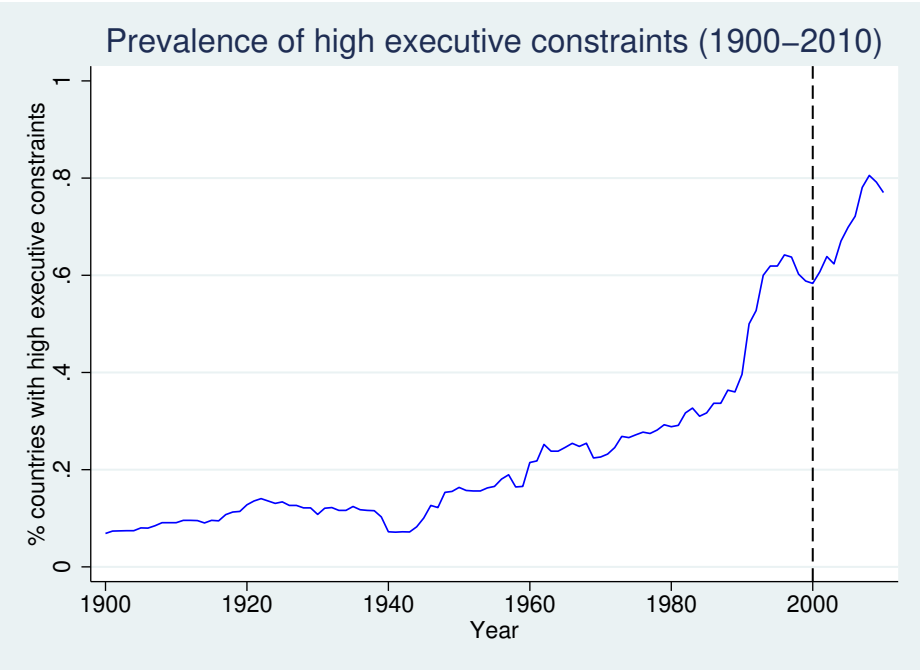
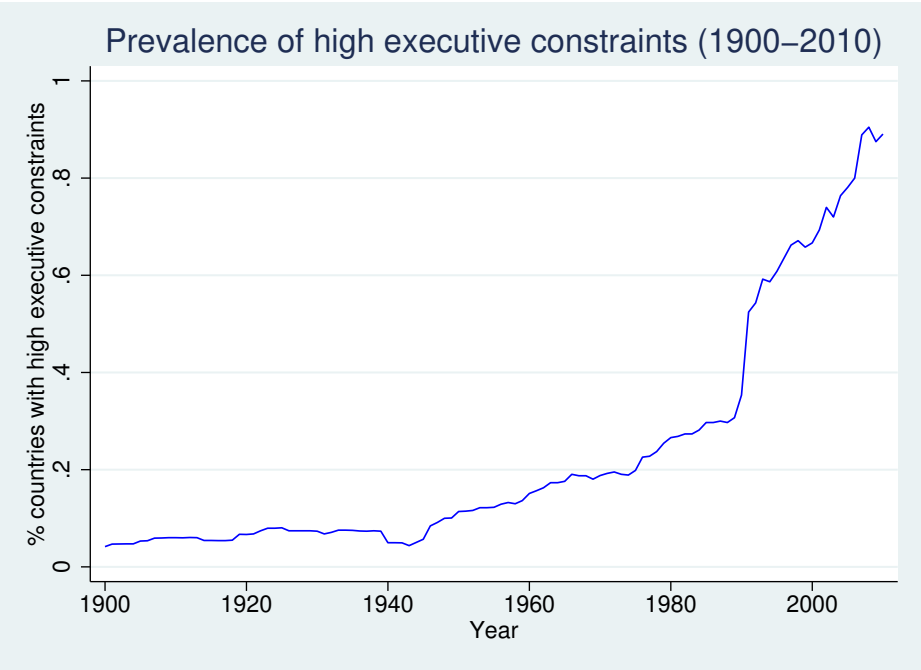


Figure: V-Dem (181 countries)



Persistence of high executive constraints

- As carried out in chapter 7 of Pillars, we also focus on the prevalence of high executive constraints amongst "new" nations that were created or received independence over the post-WWII period.
- In Pillars we only went up to 'thirty years since independence', but with ten years having past since the book came out, we update this to 'forty years since independence' to further assess political reform.

Persistence of high executive constraints – table

At independence	Five years after	Ten years after	Fifteen years after	Twenty years after	Thirty years after	Forty years after
Belarus (1991)*	Czech Republic	Croatia (1991)	Croatia	Croatia |	Cape Verde (1975)	Botswana
Cyprus (1960)	Estonia	Czech Republic	*Cyprus*	Cyprus	Comoros (1975)	Cape Verde
Czech Republic (1993)	Fiji	Estonia	Czech Republic	Czech Republic |	Cyprus	Comoros
Estonia (1991)	India (1947)	Fiji	Estonia	Estonia |	India	Cyprus
Fiji (1970)	Israel	India	Fiji*	India	Israel	India
Guyana (1966)*	Jamaica	Israel	India	Israel	Jamaica	**Israel**
Israel (1948)	Latvia	Jamaica	Israel	Jamaica	*Lesotho*	**Jamaica**
Jamaica (1962)	Lithuania	Latvia	Jamaica	Kyrgyzstan (1991) |	Mauritius	Lesotho
Latvia (1991)	Malaysia	Lithuania	Latvia	Latvia |	Solomon Islands |	**Mauritius**
Lesotho (1966)	Mauritius	Malaysia*	Lithuania	Lithuania |	*Sudan**	**Trinidad & Tobago**
Lithuania (1991)	Moldova (1991)	Mauritius	Macedonia (1991)	Macedonia |	Trinidad & Tobago	
Malaysia (1957)	Myanmar	Moldova	Mauritius	Mauritius		
Mauritius (1968)	Nigeria	Myanmar*	Moldova	Moldova |		
Myanmar (1948)	Slovakia (1993)	Pakistan (1947)*	Slovakia	*Nigeria**		
Nigeria (1960)	Slovenia	Slovakia	Slovenia	Slovakia |		
Slovenia (1991)	Solomon Islands	Slovenia	Solomon Islands	Slovenia |		
Solomon Islands (1978)	Somalia*	Solomon Islands	Sri Lanka	Solomon Islands		
Somalia (1960)	Sri Lanka	Sri Lanka	Trinidad & Tobago	Sri Lanka*		
Sri Lanka (1948)	Trinidad & Tobago	*Sudan*		Trinidad & Tobago		
Sudan (1956)		Syria (1946)				
Trinidad & Tobago (1962)		Trinidad & Tobago				
Uganda (1962)*						

Note: The table lists all countries coming into existence as independent states after 1945, if they score the highest value of 7 for the Polity score on executive constraints at one of the time horizons listed in the table. The independence year is given (in parentheses) for the first entry in the table. Countries are marked with "|" in the last column in which they can appear, owing to the right censoring of the data (last entries in the Polity IV data). Countries are marked with "*" the last time they appear in the table (except in the last column). Countries are printed in italics if they re-enter the table after a period with less than the highest score on executive constraints. Countries are printed in bold in the last column of the table if they have a full 40-year history of high executive constraints.

Persistence of high executive constraints (V-Dem)

At independence	Five years after	Ten years after	Fifteen years after	Twenty years after	Thirty years after	Forty years after
Barbados (1966)	Barbados	Barbados	Barbados	Barbados	Barbados	**Barbados**
Botswana (1966)	Botswana	Botswana	Botswana	Botswana	Botswana	**Botswana**
Czech Republic (1993)	Czech Republic	Czech Republic	Czech Republic*	Cape Verde (1975)	Cape Verde	Cape Verde
Israel (1948)	Estonia (1991)	Estonia	Estonia	Croatia (1991) |	Cyprus (1960)	Cyprus
Lithuania (1991)	Israel	Israel	Israel	Czech Republic |	Israel	Ghana (1957)
Mauritius (1968)	Kuwait (1961)	Kuwait*	Latvia	Estonia |	Mauritius	**Israel**
Slovenia (1991)	Lithuania	Latvia (1991)	Lithuania	Israel	Sao Tome and Principe (1975)	Jamaica (1962)
Suriname (1975)	Mauritius	Lithuania	Mauritius	Latvia |	Suriname	Malawi (1964)
Vanuatu (1980)	Slovenia	Mauritius	Slovakia	Lithuania |	Trinidad & Tobago	**Mauritius**
	Vanuatu	Slovakia (1993)	Slovenia	Mauritius	Vanuatu |	Sao Tome and Principe
		Slovenia	Trinidad & Tobago (1962)	Moldova (1991)		Suriname
		Vanuatu	Vanuatu	Slovakia |		Trinidad & Tobago
				Slovenia |		Zambia (1964)
				Suriname		
				Trinidad & Tobago		
				Vanuatu		

Note: The table lists all countries coming into existence as independent states after 1945, if they score the highest value of 7 for the Polity score on executive constraints at one of the time horizons listed in the table. The independence year is given (in parentheses) for the first entry in the table. Countries are marked with "|" in the last column in which they can appear, owing to the right censoring of the data (last entries in the Polity IV data). Countries are marked with "*" the last time they appear in the table (except in the last column). Countries are printed in italics if they re-enter the table after a period with less than the highest score on executive constraints. Countries are printed in bold in the last column of the table if they have a full 40-year history of high executive constraints. Countries printed in red indicate they were also identified in the previous slide using the Polity data as having strong executive constraints corresponding to the respective years since independence.

Persistence of high executive constraints – comments

- It's clear that V-Dem's executive constraints measure is much stricter than Polity's in outlining those countries at or near independence having high executive constraints.
- Notwithstanding this, as time passes, the countries classified as having high executive constraints between V-Dem and Polity becomes more congruent, as indicated by the countries printed in red.
- It is also worth noting that Polity, unlike V-Dem, do not assess countries with a population less than 500,000, which is why countries such as Barbados and Vanuatu appear in the previous slide but are not coloured red.