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Legitimizing autocracy: Re-framing the analysis of corporate relations to undemocratic regimes

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Abstract

Recent work in political economy suggests that autocratic regimes have been moving from an approach of mass repression based on violence, towards one of manipulation of information, where highlighting regime performance is a strategy used to boost regime popularity and maintain control. This presents a challenge to normative analyses of the role of corporations in undemocratic countries, which have tended to focus on the concept of complicity. This paper introduces the concept of legitimization, defined as adding to the authority of an agent, and traces out the implications of adopting this concept as a central element of the analysis of corporate relations to autocratic regimes. Corporations confer legitimacy on autocratic governments through a number of material and symbolic activities, including by praising their economic performance. We identify the ethically problematic aspects of legitimization, argue that praise for autocratic regime performance lacks empirical support, and outline a research agenda on legitimization.

Keywords: Complicity, legitimization, legitimacy, corporate political activity, democracy

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1. Introduction

> «China's done an unbelievable job of lifting people out of poverty. They've done an incredible job – far beyond what any country has done – we were talking about mid-90s to today – the biggest change is the number of people that have been pulled out of poverty, by far. And we should all applaud that, and we should all feel good about it.»
>
> *Apple CEO Tim Cook at the Fortune Global Forum, 6 December 2017*[i]

Autocratic leaders and governments learn, from experience and from each other. Their strategies to stay in power and quell opposition evolve over time. A number of recent studies in the fields of political science and political economy describe a shift in the strategies of autocratic rulers over the last few decades from outright violence to instil fear in those that might challenge them, to more sophisticated strategies of information manipulation. In their work on what they term "informational autocrats", Guriev and Treisman (2019) document a decrease in political killings and prisoners in undemocratic states in the 1990s and 2000s compared to previous decades, and increased concealment of repressive acts as punishment for non-political crimes when they are used. These autocratic rulers instead maintain power by presenting an image of themselves as competent leaders, emphasizing economic performance and public service provision, rather than by threatening the population. The effectiveness of this type of propaganda is made possible through subtle strategies of media control, not easily seen through by the population, and by diverting blame for economic setbacks to outside forces. Other studies similarly argue that dictators use expensive symbols like hosting major sports events or building skyscrapers to signal their capability (Gjerlow and Knudsen, 2019). A pattern of decreasing use of violence and overt intimidation is seen not just in established autocracies, but also in the way democracies come under threat. Lührmann and Lindberg (2019) show that the current "third wave of autocratization" is enacted through strategies that rely much more on a gradual erosion of democratic institutions than a violent overthrow of government compared to previous episodes of autocratization.

To be clear, these changes do not entail the end of the use of force, violence and intimidation by undemocratic regimes, the end of harm inflicted on their citizens. In analysing the moral obligations and role of corporations in societies governed by autocratic regimes, the concept of complicity – whether direct, indirect, beneficial, or silent – will remain important. However, with the shift in autocratic strategies, this concept begins to seem incomplete for an ethical analysis of corporate activities. If autocrats increasingly rely on manipulation of information and boosting their apparent performance in the eyes of the population, symbolic acts by corporations and their executives which play into and make this revised strategy of autocratic governments more effective, need to be understood and assessed in terms of ethical status. In other words, we need more focus on the various ways in which corporate actors legitimize autocratic governments, adding to their moral or actual authority. This also entails a reversal of a traditional perspective in business ethics, where the focus is on how corporations gain or lose legitimacy in the contexts in which they operate (Suchman, 1995). We need to recognize that corporations not only acquire legitimacy, they also confer legitimacy on other parties, including governments.

The above statement by the CEO of Apple provides an example of how a corporate executive can lend legitimacy to an undemocratic regime. In principle, the statement can be read as praise for the citizens of China for lifting themselves out of poverty. In practice, however, the statement will be read as praise for the government of China, for having enacted policies that over recent decades have led to large decreases in poverty. This is a regime that killed unknown thousands in the 1989 crackdown on protests at Tiananmen Square, that persecutes ethnic and religious minorities in Tibet and Xinjiang, and increasingly curtails political and civil rights in Hong Kong (not to mention in mainland China). It is also a regime that uses its apparent economic success for what it is worth, in shoring up regime support in China, and deflecting criticism of its human rights record abroad. The type of statement made by Tim Cook seems to play right into this strategy. One can debate the strategic reasoning behind making this kind of statement, but that is not the issue we focus on here. Symbolic acts of legitimization like this statement instead illustrate the limitations of analysing corporate relations to autocratic regimes using the concept of complicity as the main entry point. Classifying statements of this kind as complicity would be controversial given how this concept is conventionally understood. These types of acts lack the connectedness to specific harms that is usually the basis for assessing complicity, unless they are made in the context of specific harms being perpetrated. In principle, a statement like this could be made by corporate executives that have no activity in or related to China or any other autocratic country. These types of symbolic acts could perhaps be deemed a form of indirect complicity, but lack the materiality of contribution to harm that is commonly demanded in the use of this term. Finally, while the concept of silent complicity has led to the inclusion of symbolic acts like not speaking out against regimes perpetrating harm in analyses of complicity (Wettstein, 2010), the acts we consider here are vocal, not silent.

This paper analyses the implications of adopting a concept of legitimization as a central element of the analysis of corporate relations to autocratic governments. We make two main contributions, one conceptual, and one empirical, and use these to construct a research agenda for further work. In the conceptual part, we explicitly define the concept of legitimization, and delineate its overlap with and distinctiveness from the concept of complicity as conventionally defined. We then elaborate on different types of symbolic acts of legitimization, which enable us to illuminate and locate their key ethically problematic aspects. We argue that approaching corporate relations to undemocratic regimes through the concept of legitimization highlights commonly (and problematically) taken for granted assumptions of legitimate authority which underlie the ability of autocratic regimes to perpetrate harm. Regimes of this kind lack the substantive legitimacy which would make symbolic contributions to maintaining or increasing their perceived legitimacy acceptable. They exercise authority without the moral basis to do so, without the explicit consent of the citizens on whose behalf they act. Against this backdrop, we discuss and identify challenges in assessing the moral status of corporate acts of legitimization, in view also of the (often imperfectly discharged) obligations of other parties.

In our empirical contribution, we assess how the claim made by Tim Cook and others on the economic success of the Chinese government hold up against the existing evidence on the economic effects of democratic institutions. In other words, we assess whether greater progress on social and economic dimensions can plausibly justify the deficits of substantive legitimacy that autocratic regimes embody. We highlight here the methodological challenge of evaluating the economic development under autocracy, which requires construction of a credible counterfactual, i.e. an analysis of what would have happened if the same country had been a democracy rather than an autocracy. We argue that the studies which convincingly address this challenge do not find that autocratic states are more successful, on the contrary, economic progress is higher under democracy. We add to this a long term analysis of the 19 states that have had at least 20 years of autocracy followed by at least 20 years of democracy. While descriptive, this analysis clearly illustrates why bare comparisons of growth rates of democratic and undemocratic regimes are relatively uninformative. We show that there is a significant positive correlation between individual countries' growth rates under autocracy and democracy. In other words, countries that tend to do well in periods of autocracy would also likely have done well as democracies. Moreover, controlling for initial conditions, we find significantly higher growth rates under democracy than autocracy, consistent with the literature on positive effects of democracy. In other words, based on the available evidence, a democratic China likely would have developed even faster and/or earlier, which suggests that the autocratic Chinese regime, rather than being credited with lifting people out of poverty, should likely be blamed for keeping people in poverty for longer than necessary. This means that attempts to justify legitimization of undemocratic regimes on the basis of superior results in terms of welfare or economic and social rights, are unlikely to carry much weight.

The paper is structured as follows. Section 2 defines legitimization, discusses its relation to complicity, and the implications of re-framing the analysis of corporate relations to undemocratic regimes around this concept. Section 3 presents the empirical analysis of the effects of democracy on economic development. Section 4 concludes with a proposal for a research agenda based on the concept of legitimization.

2. Legitimization and complicity

Legitimization is defined here as adding to the authority of an agent. In contrast to work in discourse analysis, which defines legitimization as "the process by which speakers accredit or licence a type of social behavior" (Reyes, 2011:782), our definition focuses on giving licence or accreditation to someone acting in a particular role. In other words, while the two are clearly related, our definition centres not on acts of justification of actions or behaviour, but on acts of justification of the position from which someone acts or behaves. When we talk about legitimization, we refer to activities which confer legitimacy on someone, we focus on the process through which authority is added to, rather than the state of legitimacy as emphasized in management studies (Suchman, 1995). In line with this literature, though, legitimization is about perceptions, it entails adding to the authority of someone in the eyes of some beholder or social audience. Importantly, the concept conveys the notion that perceived legitimacy is something that we not only can possess, gain, or lose, but also something we confer on others through our activities. Activities in this sense are interpreted broadly, encompassing action and inaction, material and symbolic (including words and silence).

As a basis for comparison, complicity is conventionally defined as knowingly contributing to a wrongdoing or the ability of another party to perform a wrongdoing (Wettstein, 2010). A somewhat broader definition is given by Kutz (2000), as intentionally participating in the wrong others do or the harm they cause, independent of the difference you make. Four types of complicity are conventionally distinguished (Wettstein, 2010; 2012). Direct complicity denotes direct contribution to a harm, for instance by providing arms to a repressive government. Indirect complicity refers to generally enhancing another agent's ability to commit harm, for instance by helping maintain or secure the financial basis of the agent. Beneficial complicity entails knowingly benefitting from the harms created by another agent, even if no part is played in the actual harm. And silent complicity is failing to speak out against the harm perpetrated by another actor, even if no part is played in the harm. While there is disagreement on the moral status of these different forms of complicity, this is not a question we address here. In analysing the overlap of or correspondence between legitimization and complicity, we take a broad definition which includes all four forms as our starting point.

Arguably, all acts of complicity, as conventionally understood, entail legitimization. Knowingly contributing to a wrongdoing or the ability of another party to perform a wrongdoing, or intentionally participating in the harm they cause, entails adding to the authority of that party, to their licence to act in the social position from which their harm is caused.

Supplying arms to a repressive government entails sanctioning their right to buy and wield guns on behalf of their country, contributing to their financial infrastructure means licencing their position as a steward of financial flows and contributions on behalf of their country, benefitting from their harm entails accepting the authority of the government to act in harmful ways that create benefits to you, and staying silent on their abuses entails accepting their authority to commit them. In the latter case, it has also been argued that legitimization is one of the key requirements for assessing when not speaking out amounts to silent complicity (Wettstein, 2012).

While complicity implies legitimization, the opposite is not the case. Whereas one could argue that certain symbolic activities of legitimization, such as hate speech against persecuted minorities, could constitute direct complicity in their persecution, this would not in general be true of such activities. It would be hard, for instance, to characterize Tim Cook's statement praising the Chinese regime's progress as amounting to direct complicity in the regime's wrongdoing. One could perhaps discuss these symbolic actions of legitimization in terms of constituting indirect complicity, but this term is usually used about financial or material support that increases the capacity of a government to do harm, and there is typically more of an explicit connection to the harm perpetrated. The definition could of course be expanded to include these types of symbolic actions, but this would likely be a controversial move, which would devolve into discussions and disagreements about the substantiality of such activities in increasing the capacity to do harm. Conventionally, at least, it would seem fair to say that many symbolic acts of legitimization would fall outside the scope of the indirect complicity term. While these types of acts likely flow from strategic motives in most cases, meaning that the actor benefits materially for them, this does not need to be the case, nor is the moral status of the acts reducible to the benefits created. Similarly, acts of legitimation will often come with silence on harms created, but there need not be any concurrent harms being perpetrated for us to raise questions of an ethical nature about these activities, nor are they reducible to the associated silence. From this it seems clear that legitimization includes a number of activities which will not be conventionally be captured by the complicity concept, whether direct, indirect, beneficial, or silent.

A further delineation of activities that serve to legitimize the position of an agent makes it clear that most of these activities meet with relatively little discussion in the literature on complicity. Empirically, it seems that the complicity term hence leads us away from focusing on a range of symbolic acts of legitimization. We distinguish here four such forms of legitimization; the list is intended to be illustrative rather than exhaustive, and will be used to examine how a legitimization concept changes our focus. In particular, the commonalities of the four forms allow us to identify the reasons why and instances in which these practices become morally questionable.

A first form of legitimization is the acceptance of the formal authority of an agent. Importantly in our case, this includes the acceptance of formal authority to act as the representative or on behalf of a client or a population. In typical business interactions with a third party through a middle-man or agent, the legitimacy of the interaction is commonly premised on the agent having the consent of the third party to act on their behalf. The agent in other words have a form of substantive legitimacy in acting on someone else’s behalf, primarily based on consent. It is a disconcerting feature of international politics that government and companies tend to routinely enter into interactions with, and hence accept the formal authority of, governments that do not have any mandate from the population to act on their behalf, that lack any form of substantive legitimacy. It is pretty clear that autocratic governments rule without the explicit consent of their citizens, and therefore lack substantive legitimacy to act on their behalf. In any other context, we would call acting on behalf of a client whose consent you do not have to do so, fraud. Nevertheless, corporations routinely accept them as contract partner, as borrower, as levier of taxes, as regulator, as resource extractor. The dubious claims of such regimes to act on behalf of their population have been noted in the international relations literature with respect to international borrowing (Pogge, 2001) and resource extraction (Wenar, 2008). One implication of these observations seems clear; if acceptance of formal authority confers legitimacy, there is no meaningful way we can say that corporations can stay out of politics. The precise implications for corporate obligations may not be as straightforward; for instance, how should a multinational corporation act towards an autocratic government that its own home government accepts as an economic partner? That this need not be an easy discussion, however, does not imply that it is unimportant. And the point remains; accepting the authority of an agent to act on behalf of others is a form of legitimization.

A second form of legitimization is to submit to the power of an agent. This is similar to the first form, insofar as it entails acceptance of the authority of the agent to act on behalf of others, but here the focus is on the authority to punish rather than enter into transactions. It is widely noted that while government trade sanctions imposed by democratic countries have had limited effectiveness, they are increasingly employed for foreign policy purposes by undemocratic regimes, and to some effect. In the case of China, trade sanctions imposed on countries receiving the Dalai Lama at a political level have reduced exports from these countries to China (Fuchs and Klann, 2013), and sanctions against Norway after the 2010 Nobel Peace Prize to the Chinese dissident Liu Xiaobo significantly reduced exports to China and may have shifted Norwegian foreign policy (Kolstad, 2020). It may be too soon to tell the full effects of sanctions against Canada after the detention of Huawei chief financial officer Meng Wanzhou. These kinds of sanctions are often met with calls from the business community to normalize political relations, which essentially translates to recognizing the sanctioning autocratic government as an appropriate party to engage with in these forms of disputes. Given the lack of substantive legitimacy in inflicting punishment on other countries on behalf, and to the detriment of, their own population, questions can again be raised about this type of response. These kinds of situations are no doubt challenging to the companies involved, and there is again a need to take the discussion of what obligations they have given that their home government also plays an important part. But in principle, companies can be influential parties in this kind of situation. As seen from past sanctions, their effect can be undermined in creative ways including by relabelling goods and shipping them through third countries. In relation to sanctions from regimes that lack substantive legitimacy, further analysis of the conditions under which sanctions busting is appropriate (and perhaps even required), would seem an important avenue to pursue.

Accepting or condoning the goals set by an agent is a third form of legitimization. Autocratic governments actively use rhetoric stressing threats to public order, a breakdown of the rule of law, sectarian violence and chaos, in the event that the regime is challenged or overthrown (Heydemann and Leenders, 2011; Edel and Josua, 2018). Protests are cast as a threat to security and stability, and protestors as terrorists or foreign agents, with the regime portrayed as a keeper of the peace (Duskalskis, 2015). These strategies were evident in local and central government responses to the 2019 protests in Hong Kong. There are various ways in which companies and other governments can respond to these situations. One is to stress the rights and liberties of the protestors. Another, more problematic option, is to express concern for the conflict, call for a de-escalation of the violence (from both sides), and a return to order and stability. While this may be the product of genuine concern for human safety, it risks playing into the autocratic regime's reframing of protests and opposition as a security issue, implicitly accrediting the regime's authority to prioritize goals of security and stability on behalf of their population. Again, these may not be easy situations to navigate, but statements congruent with goals set by autocratic governments without substantive legitimacy to set such goals on behalf of their citizens at the very least require critical consideration.

The fourth and final form of legitimization we discuss here is praise of the performance or results of an agent. This brings us back to Tim Cook's praise for the Chinese government in lifting people out of poverty. It should be noted that this is not a singular case, there are many examples of praise for autocratic regimes in international politics and also in business.[ii] As noted in the introduction, this form of symbolic legitimization plays directly into a strategy autocratic regimes increasingly use to justify their position of power. One can also question whether it is empirically accurate, a point we return to in the next section. The fundamental problem with these kinds of statements, however, is that it accords licence to an autocratic government to decide and enact policy without having any explicit mandate from their citizens to do so. As with the other forms of symbolic legitimization discussed above, these types of activities are ethically problematic as they increase the perceived legitimacy of agents who do not have the substantive legitimacy to act on behalf of their population. They add to the authority of governments whose moral basis for exercising power is flimsy or absent.

The preceding elaboration should make clear that using the concept of legitimization shifts the focus on corporate relations to autocratic regimes, and also highlights some things that tend to fly under the radar when analysing these relations through the concept of complicity. Legitimization highlights authority, acts of justification of the position from which someone acts or behaves, while complicity tends to focus on the actions themselves. In particular, the above forms and examples of symbolic legitimization highlight authority to act on behalf of others, and the extent to which it has a substantive basis or not. We are not arguing that complicity is an unnecessary or uninteresting term. Instead, we would like to suggest that legitimization offers an additional and important angle to the analysis of corporate relations to autocratic regimes. The focus on authority means that we focus more on power and on the positions from which harm is done, which leads directly to questions of accountability of governments and the role of corporations in its continued absence. Moreover, where complicity with any individual harm created by a government may be hard to prove and make stick, a charge of legitimization of a regime whose authority you implicitly recognize and accept as part of conducting business is much harder to strategically escape.

Herein lies also another difference between analyses of complicity and legitimization. Complicity is more of an either-or question, it typically comes with a requirement of substantiality, of being above a certain bar in terms of contribution to a wrongdoing. This no doubt also reflects the legal connotations of the term. Legitimization is more a matter of degree, of the extent to which a symbolic or material action leads to increases in the perceived legitimacy of an agent's position of authority. Obviously, this will vary with both who performs the action, and in what context. Ultimately, the effect of a particular activity on the perceived legitimacy of an agent is an empirical question, and an understudied one in the context of our discussion of corporate - government relations. In theory, however, the effect is likely to be depend on the authority and inferred motives of the person or entity performing the act. The CEO of Apple is likely to have more of an effect on perceptions than the CEO of a company that is smaller, less visible, and lacks knowledge of China. On the other hand, to the extent that a CEO's actions are perceived as self-serving, this may paradoxically reduce the impact on perceptions of regime legitimacy. Legitimizing actions are also likely to have more of an effect the less the social audience has access to alternative sources of information. Moreover, these kinds of actions are likely to be more problematic in relation to performance oriented autocratic regimes, where results are actively and effectively used to motivate continued rule of the government, or in situations where anti-democratic forces are actively challenging the record of a democratically elected government. The gravity of legitimizing activities hence depends on who has the potential to affect whose perceptions towards whom. While this is a matter of degree, even adding to the authority of an agent in more minor ways may be morally problematic, or may at least warrant ethical assessment.

The legitimization concept also expands on the analysis of the positive obligations of corporations. The complicity term is connected to harm, which means that it largely revolves around discussions of negative obligations to avoid contributing to harm, with the exception of silent complicity, where positive obligations to speak out against harm perpetrated are inferred (Wettstein, 2010; 2012). Legitimization, on the other hand, of a government that does have substantive legitimacy, that rules with the explicit consent of its citizens, can be morally both acceptable and admirable. In situations under which this form of government is under threat from anti-democratic forces, it could even be morally required. Accrediting the position of a democratic government to act on behalf of its citizens, and praising its results, may hence emerge from this analysis as positive duties. While this may be related to an obligation to speak out against those undermining democracy, it is not the same as avoiding silent complicity, as the actions considered are different and the obligations active whether or not some specific harm is currently being perpetrated. The concept of legitimization can hence enrich the analysis of both negative and positive obligations of corporations.

The fundamental take-away from the above argument is that adding to the authority of an agent that lacks substantive legitimacy to act on behalf of others is problematic. Critical views of these arguments may hold that while substantive legitimacy is important, we should be willing to forego or trade this off against other principles. If agents that lack substantive legitimacy are able to produce good results in terms of welfare or the realization of social or economic rights, the argument might go, then the lack of substantive legitimacy of an agent and the legitimization of its position, may be less problematic. It would be difficult to argue that substantive legitimacy should play no role in our assessment of the justification of an agent's position, so these arguments would have to entail that regimes that lack substantive legitimacy are strictly better on these other dimensions than regimes whose position is substantively legitimate. In other words, undemocratic regimes would have to do strictly better than undemocratic ones in increasing welfare or reducing poverty, for these types of arguments to have any chance of being plausible. As shown in the next section, there is good cause for concluding that this line of counter-argument will not be successful.

3. The empirical case against autocratic economic performance

3.1 Background and Research Questions

There is no doubt that the development of China since the early 1990s has been rapid, with double digit growth rates in some years. There are also other examples of countries with deep democratic deficiencies that have grown fast, Ethiopia and Rwanda are often mentioned as recent examples, and historically Asian economies like South Korea and Taiwan developed rapidly under then-undemocratic regimes. These are all interesting observations from the evolution of the world economy after 1950. However, they prove nothing in terms of the link between democratic institutions and development. For every China, there is a North Korea with dismal progress in terms of development. For every Ethiopia or Rwanda, there is a Zimbabwe or a Central African Republic. The autocratic countries claimed to be economic successes typically have also had periods of lower growth under the same or similar type of regime. Moreover, in a recent study of the growth effects of individual autocratic leaders in the period 1858-2010, Rizio and Skali (forthcoming) document statistically that autocratic leaders with above average growth records are rare, while autocratic leaders with below average growth records are frequent.

The main challenge in estimating the effect of democratic institutions on economic development is to establish a credible counterfactual. In other words, how do we assess what the rate of economic progress in autocracies would have been had they been democratic? Simply comparing growth rates of democracies and autocracies would not produce a credible estimate of the effects of democracy, since democratic countries differ from autocratic ones in a number of ways which could also affect their GDP, for instance in terms of other institutions, historical factors, cultural aspects, or geography. Results from cross-sectional studies using country level data on democracy and growth are likely to be biased due to these kinds of unobservable variables. While a number of studies use panel data and country fixed effects to factor out time-invariant differences between countries, this still leaves the challenge that results could be driven by time-variant variables. Whereas the empirical literature on the effects of democracy on economic development is large, this also means that it is mostly unreliable in determining the effect of democracy on growth. In other words, we cannot simply count votes (positive and negative results) from the existing literature to assess the effects of democratic institutions.

In a recent study, however, Acemoglu et al. (2019) combine a set of different methodologies which aim to resolve the selection on unobservables problem in more credible ways. Using data from 175 countries in the period 1960-2010, they analyse the effects of democratic transitions on GDP per capita. Their data on democratic transitions are carefully constructed from several underlying indicators of democracy, to avoid measurement error. Their first main estimation strategy is to use panel data estimation with country fixed effects, controlling for GDP dynamics using lags to ensure that democratizing countries are comparable to non-democratizing ones in terms of pre-treatment trends. To address the remaining challenge of time-variant observables, their second main estimation strategy is to use regional waves of democratization as an instrumental variable for transitions to democracy for individual countries. Results across their estimations are consistent, and suggest that transitions to democracy on average increase growth rates in the order of 20 to 25 per cent over the 25 years following a transition. While one should be careful about relying too much on an individual study, and their analysis will probably be replicated and expanded on in coming years, the most solid evidence we have to date hence suggests that autocracies generate worse economic progress than democracies.

The analysis of Acemoglu et al. (2019) includes all transitions to (and from) democracy, no matter how short lived. One could argue that both democratic and autocratic regimes need some time to set before one can see their effects, and if that is the case, including shorter duration transitions could lead to both an over- or an under-estimation of the effect of democratic institutions (as distinct from the effect of going through a period or process of democratization) on development. In estimating an effect of transitions from a more prolonged state of autocracy to a more permanent state of democracy, an instrumental variable such as regional waves of democratization will be much weaker, and this specific empirical strategy is hence not available. In what follows, we conduct an empirical analysis of long term growth in autocracies and democracies, and while the ambitions of the analysis are more modest than identifying causal effects, it serves to further highlight the pitfalls in making simple cross-sectional comparisons of development under different regimes. In particular, our analysis will look at the extent to which growth rates for the same countries under different regimes tend to be correlated. If this is the case, it reinforces the idea that unobservables are important, that there are other institutional, historical, cultural or geographical factors that affect how fast a country grows, and undermines idea that the counterfactual for a high-growth autocracy can be well captured by the mean growth of democracies. We also analyse how controlling for the starting point affects the comparison of growth rates across regimes; while absolute growth rates for some countries may have slowed down following a democratic transition, this is typically from a higher initial GDP level, which means that these growth rates under democracy may be more impressive than a bare comparison would suggest.

In sum, our empirical analysis addresses the following two research questions:

1. To what extent is the long term economic performance of countries correlated across periods of democracy and autocracy?
2. Controlling for initial conditions, how does the long term economic performance in periods of democracy compare with performance in periods of autocracy?

While we are careful in stressing that our results are descriptive, and cannot necessarily be taken as evidence of causal relations, the null hypotheses related to each of the two research questions would be that there is no within-country correlation in economic performance across political regimes, and that performance in democracy does not differ from performance under autocracy.

The alternative hypotheses would be that performance is significantly correlated across regimes, and performance is different under democracy than under autocracy.

3.2 Data and Empirical Strategy

In order to compare the longer term performance of autocracies and democracies, we have identified the 19 states in which at least 20 years of consecutive autocracy have been followed by at least 20 years of consecutive democracy in the period 1950-2017, and for which there is GDP data in the Penn World Tables version 9.1. While setting the requirement of regime duration to at least 20 years may seem arbitrary, it does provide enough time for both times of regimes to set and have an effect on the economy, and is consistent with other analyses of regime duration.[iii] For robustness, we also replicate our analyses for the 30 countries with at least 15 years of autocracy followed by at least 15 years of democracy, over the same period. The 1950-2017 period is chosen since this is the period for which the Penn World Tables data on GDP is available, comparable data going back further is difficult to find. The cut-off chosen for being democratic is set at a value of 7 or higher on the Polity IV Institutionalized Democracy scale, which runs from 0 to 10 with higher values representing greater democracy; our cut-off at 7 is consistent with how the Polity IV project define full democracy.[iv] While Acemoglu et al. (2019) use a combination of democracy indices to identify institutional transitions, Polity IV is the only index with sufficient time coverage to identify transitions for the full period covered by the Penn World Tables GDP data.

The 19 countries in our 20-20 year sample are presented in bold type in Table 1, with the regular type countries capturing the additional 11 countries in our 15-15 sample. Given our time coverage, the countries reflect the third wave of democratization described by Huntington (1991), starting with the Carnation Revolution in Portugal, and including the democratic transitions in Latin America and Asian Pacific countries in the 1980s, as well as East European countries after the collapse of the Soviet Union. Note that the year of transition in the period is based on a Polity IV democracy score of 7 or more, in some of the countries the transitional years are coded as interregnum years without a value on the 0 to 10 scale (which is why the year of transition for e.g. Spain is 1978 rather than 1975). We include the interregnum years in the dictatorship period, but show that our results are robust to excluding these years in the calculation of average growth rates under the two types of institutions. As shown in columns three and four in Table 1, most of the countries in our sample emerged from extended periods of autocratic government (as measured from 1950), and with a few exceptions, they have largely remained democratic up until the year in which our data ends (2017). While two countries in the 15-15 sample (Bulgaria and Hungary) have had periods of dictatorship and democracy of more than 20 years, missing data on GDP for parts of these periods mean they are not included in the 20-20 sample.

Table 1. Country samples.

Country	Year of democratization	Years of dictatorship before democratization (and since 1950)	Years of democracy from democratization (and up till 2017)
Portugal	1976	26	42
Spain	1978	28	40
Ecuador	1979	29	21
Bolivia (Plurinational State of)	1982	32	36
Argentina	1983	33	35
Brazil	1985	35	33
Botswana	1987	21	31
Philippines	1987	37	31
Republic of Korea	1988	27	30
Chile	1989	39	29
Panama	1989	39	29
Bulgaria	1990	40	28
Hungary	1990	40	28
Cabo Verde	1991	16	27
El Salvador	1991	41	27
Poland	1991	41	27
Madagascar	1992	32	17
Mongolia	1992	42	26
Taiwan	1992	42	26
Nicaragua	1995	45	23
Dominican Republic	1996	33	22
Guatemala	1996	46	22
Romania	1996	46	22
Honduras	1999	49	18
Indonesia	1999	49	19
Mexico	2000	50	18
Senegal	2000	40	18
Ghana	2001	41	17
Albania	2002	52	16
Kenya	2002	39	16

Note: Countries in bold are the ones included in the 20-20 sample, the regular type countries are additionally included in the 15-15 sample.

For each of our two country samples (the 20-20 and the 15-15 sample), we run two types of estimation to address our two research questions. To address our first research question of whether countries' economic performance are correlated across periods with different political regimes, we run an ordinary least squares estimation (with robust standard errors) of the following equation:

$$Growth\ democracy_i = \alpha + \beta_1 Growth\ dictatorship_i + \beta_2 GDP\ per\ capita\ at\ democratization_i + \varepsilon_i \quad (1)$$

In other words, we regress the average growth rate in GDP per capita of country *i* in the 20-year (respectively 15-year) period following democratization, on the average growth rate of country *i* in the 20-year (respectively 15-year) period prior to democratization. We run this analysis with and without controlling for the level of GDP per capita at democratization. In alternative estimations, we use a growth dictatorship variable which excludes interregnum years. For the periods of democracy and dictatorships of our sample countries, we also generate growth variables which measure average growth across the entire time-span for which there is GDP data, and use these in alternative estimations. All variables used in our 20-20 sample estimations of equation (1) are defined more closely in the top panel of Table 2; variables for the 15-15 sample estimations are defined in corresponding ways.

To address our second research question of whether long term economic performance is different under democracy than autocracy, we run the following fixed effects estimation:

$$Growth_{i,p} = \alpha_i + \beta_1 Democracy_{i,p} + \beta_2 GDP\ per\ capita\ in\ base\ year_{i,p} + \varepsilon_{i,p} \quad (2)$$

In other words, for this estimation our data is reshaped into a long format with country-periods as the observational unit. The average growth in GDP per capita of country *i* in the 20-year period *p* is regressed on a dummy variable capturing whether country *i* in period *p* was democratic, controlling for the initial level of GDP per capita in the base year of period *p*, and including country fixed effects α_i. Including country fixed effects imply that the estimated relation between growth and democracy β_1 captures the within-country relation between the two variables. The details of the variables used in estimating equation (2) for our 20-20 sample are given in the bottom panel of Table 2, with variables for the 15-15 sample estimations defined correspondingly. For robustness, we also run additional estimations where we exclude interregnum years in calculating average growth rates.

Table 2. Table of variables.

Analysis	Variable	Explanation	Source
Regressions of growth after on growth before democratization, 20-20 sample			
Dependent variables	Growth democracy (20-year average)	Average growth rate in real GDP per capita, first 20 years from democratization	Adapted from Penn World Tables 9.1
	Growth democracy (all-year average)	Average growth rate in real GDP per capita, all consecutive years of democracy from democratization	Adapted from Penn World Tables 9.1
Independent variables	Growth dictatorship (20-year average)	Average growth rate in real GDP per capita, last 20 years prior to democratization	Adapted from Penn World Tables 9.1
	Growth dictatorship (20-year average ex interregnum)	Average growth rate in real GDP per capita, last 20 years prior to democratization, excluding interregnum years in transition to democracy	Adapted from Penn World Tables 9.1
	Growth dictatorship (all-year average)	Average growth rate in real GDP per capita, all consecutive years of dictatorship prior to democratization	Adapted from Penn World Tables 9.1
	GDP per capita at democratization	Level of GDP per capita at democratization (in constant 2011 USD)	Adapted from Penn World Tables 9.1
Regressions of growth on democracy, 20-20 sample			
Dependent variable	Growth (20-year average)	Average growth rate in real GDP per capita, 20 year period prior to or following democratization	Adapted from Penn World Tables 9.1
	Growth (20-year average ex interregnum)	Average growth rate in real GDP per capita, 20 year period prior to or following democratization (excluding interregnum years)	Adapted from Penn World Tables 9.1
Independent variables	Democracy	Dummy for 20-year period of democracy or dictatorship (1 - democratic, 0 - undemocratic)	Adapted from Polity IV
	GDP per capita at base year	Level of GDP per capita in first year of 20- year period (in constant 2011 USD)	Adapted from Penn World Tables 9.1

Note: Variables for the 15-15 sample are defined correspondingly.

Descriptive statistics for the variables used in estimating equation (1) are presented in Table 3; for the 20-20 sample of countries in the top panel, and for the 15-15 sample in the bottom panel. For the former sample of 19 countries, average growth rates in democratic periods were 2.7 per cent, marginally different from the 2.6 per cent in autocratic periods (but positive average growth rates in the earlier autocratic periods of course means that the democratic periods started at higher levels of GDP per capita). As indicated by the standard deviations, though, growth seems more variable in autocratic periods, which is also reflected in the minimum and maximum values for the growth variables. The 15-15 sample data largely conform to these patterns, but with a lower average growth rate for autocratic periods. At democratization, countries in the sample range from low to high income countries according to World Bank classifications (Nicaragua was the poorest in the 20-20 sample at 2900 constant 2011 USD per capita, Madagascar the poorest in the 15-15 sample at 1639 USD per capita, while Spain and Taiwan had the highest GDP per capita at democratization in both samples). Since summary statistics of the variables used to estimate equation (2) can be directly derived from the ones presented in Table 3, we do not include numbers for these variables in the table.

Table 3. Summary statistics.

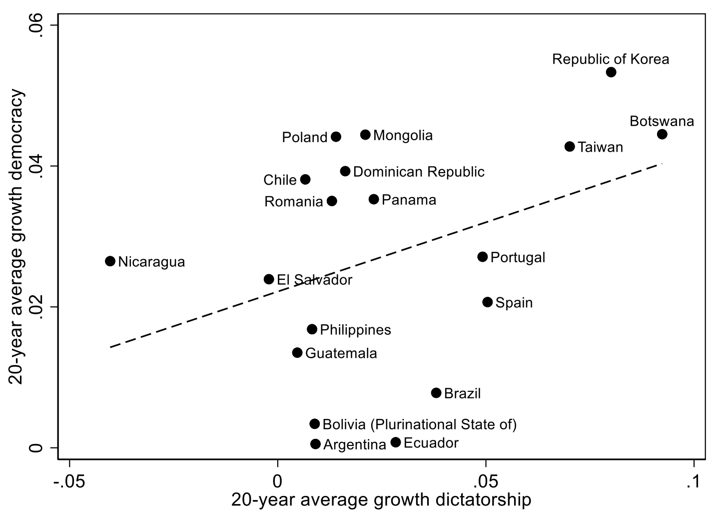
Variable	Obs	Mean	Std. Dev.	Min	Max
20-20 sample					
Growth democracy (20-year average)	19	0.027	0.016	0.001	0.053
Growth democracy (all-year average)	19	0.027	0.014	0.001	0.045
Growth dictatorship (20-year average)	19	0.026	0.032	-0.040	0.092
Growth dictatorship (20-year average ex interregnum)	19	0.026	0.032	-0.040	0.092
Growth dictatorship (all-year average)	19	0.031	0.025	-0.001	0.092
GDP per capita at democratization	19	8377	4276	2900	17760
15-15 sample					
Growth democracy (15-year average)	30	0.026	0.016	-0.001	0.058
Growth democracy (all-year average)	30	0.026	0.013	0.001	0.045
Growth dictatorship (15-year average)	30	0.019	0.028	-0.028	0.084
Growth dictatorship (15-year average ex interregnum)	30	0.021	0.029	-0.028	0.084
Growth dictatorship (all-year average)	30	0.025	0.024	-0.012	0.092
GDP per capita at democratization	30	7566	4684	1639	17760

3.3 Results

We start by presenting the data graphically, before turning to the formal regression results. For the countries in our 20-20 sample, Figure 1 plots the average growth rates in the 20 year period of prior to democratization on the horizontal axis, and the average growth rate in the 20 years following democratization on the vertical axis. While there is considerable variation in how well the countries performed under democracy versus under autocracy, the dashed line represents the correlation between the two, which is positive. In other words, on average, the countries in our sample that did well under autocracy, also tended to do well under democracy, and vice versa. This reinforces the case for using country fixed effects in studies of the effect of political institutions on economic performance; there are likely underlying factors which influence the growth rate of countries under any type of regime, which might otherwise confound results. In Figure 2, we plot the growth rates for our 15-15 sample in the same manner, comparing their growth in the 15 years prior to and following democratization, which yields similar results.

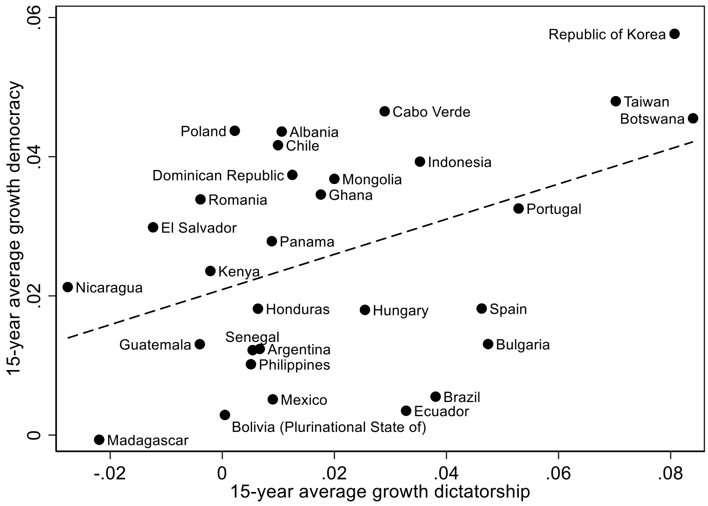
If we look more closely at the countries in Figures 1 and 2, a few tend to stand out as high performers. Both South Korea and Taiwan had very high growth rates under autocracy, and maintained high levels of growth after democratization. And while the latter rates are lower, one has to take into account the fact that they occurred from much higher levels of GDP, from which further growth is more difficult to achieve. In terms of geographic location and culture, these are also the countries in the sample most similar to China (though obvious differences remain), which means that if we want to say something about what Chinese growth rates would have been like under democracy, these two countries are natural reference points, suggesting that China would likely also have grown fast if it had democratized.

Figure 1. 20-year average growth rates before and after democratization, 20-20 sample



Note: The dashed line is the fitted linear model.

Figure 2. 15-year average growth rates before and after democratization, 15-15 sample



Note: The dashed line is the fitted linear model.

In Table 4, we regress growth rates under democracy on growth rates under autocracy for our 20-20 sample, to more formally address our first research question of whether the two are correlated. The results confirm the impressions rendered by Figure 1, there is a significantly positive relation between how fast a country grows under autocracy and its growth under democracy. This relation holds whether we compare the growth in the 20 years before and after democratization, as in columns one and two, if we exclude interregnum years as in columns three and four, and if we use growth rates in all available years prior to and after democratization, as in columns five and six. The results also hold if we control for the level of GDP at the year of democratization, as seen in columns two, four and six. Table 5 presents the corresponding results for our 15-15 sample, the results are qualitatively similar, and even stronger. This reaffirms the observation from the above figures that countries that tend to do well under autocracy also tend to do well under democracy, and vice versa.

Table 4. Regressions of growth after on growth before democratization, 20-20 sample.

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable	*Growth democracy (20-year average)*	*Growth democracy (20-year average)*	*Growth democracy (20-year average)*	*Growth democracy (20-year average)*	*Growth democracy (all-year average)*	*Growth democracy (all-year average)*
Growth dictatorship (20-year average)	0.197**	0.234**				
	(0.09)	(0.10)				
Growth dictatorship (20-year average ex interregnum)			0.185*	0.226**		
			(0.09)	(0.10)		
Growth dictatorship (all-year average)					0.150*	0.209*
					(0.08)	(0.10)
GDP per capita at democratization		-0.000		-0.000		-0.000
		(0.00)		(0.00)		(0.00)
Constant	0.022***	0.026***	0.022***	0.026***	0.022***	0.026***
	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)
r2	0.141	0.155	0.127	0.141	0.079	0.115
N	19	19	19	19	19	19

*Note: Ordinary least squares regressions, robust standard errors in parentheses. *** indicates significance at the 1% level, ** at 5%, * at 10%.*

Table 5. Regressions of growth after on growth before democratization, 15-15 sample.

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable	*Growth democracy (15-year average)*	*Growth democracy (15-year average)*	*Growth democracy (15-year average)*	*Growth democracy (15-year average)*	*Growth democracy (all-year average)*	*Growth democracy (all-year average)*
Growth dictatorship (15-year average)	0.253***	0.307***				
	(0.09)	(0.10)				
Growth dictatorship (15-year average ex interregnum)			0.223**	0.284***		
			(0.09)	(0.10)		
Growth dictatorship (all-year average)					0.163**	0.274**
					(0.08)	(0.11)
GDP per capita at democratization		-0.000		-0.000		-0.000**
		(0.00)		(0.00)		(0.00)
Constant	0.021***	0.025***	0.021***	0.025***	0.021***	0.026***
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
r2	0.189	0.218	0.158	0.189	0.087	0.173
N	30	30	30	30	30	30

*Note: Ordinary least squares regressions, robust standard errors in parentheses. *** indicates significance at the 1% level, ** at 5%, * at 10%.*

The results presented so far have spoken to the relation between country growth rates under different political institutions. To address our second research question of which type of regime has the highest growth rates, Table 6 presents the results of estimations of equation (2), where average growth rates for our 19 countries in the two periods are regressed on whether the period was democratic. As seen in column one, the average growth rates are marginally and insignificantly higher in the democratic periods when base year GDP per capita levels is not included in the specification. As noted, however, since almost all the countries in our sample had positive growth rates over the autocratic periods, the democratic periods started at much higher levels of GDP. Column two controls for initial GDP for each period, and shows that conditional on initial income, democratic periods have had significantly higher growth rates than autocratic periods. Country fixed effects are included in all estimations in Table 6, which means that all results reflect within-country comparisons, taking out any differences between countries that would affect long term growth rates under any regime. The size of the difference is economically significant at a little over 2 per cent higher growth in democracies, which over the 25-perspective adopted by Acemoglu et al. (2019) cumulates to an increase in GDP of 65 per cent. The estimations in column three and four of Table 6 present corresponding results for our 15-15 sample, which are almost exactly the same. Table A1 in Appendix A present additional results where interregnum years are dropped from the comparison, which does not affect results.

Table 6. Fixed effects regressions of 20- and 15-year average growth rates on democracy.

	(1)	(2)	(3)	(4)
Dependent variable	*Growth (20-year average)*	*Growth (20-year average)*	*Growth (15-year average)*	*Growth (15-year average)*
Democracy	0.001	0.020***	0.006	0.020***
	(0.01)	(0.01)	(0.00)	(0.00)
GDP per capita at base year		-0.000***		-0.000***
		(0.00)		(0.00)
Constant	0.026***	0.052***	0.019***	0.053***
	(0.00)	(0.01)	(0.00)	(0.01)
Country fixed effects	Yes	Yes	Yes	Yes
r2	0.002	0.555	0.061	0.613
N	38	38	60	60

*Note: Robust standard errors in parentheses. *** indicates significance at the 1% level, ** at 5%, * at 10%.*

3.4 Discussion of the Empirical Results

The above results clearly show that any bare comparison of growth rates in autocracies and democracies, that does not take into account underlying differences between these sets of countries, or different starting points, is relatively uninformative. We stress that our empirical analyses are descriptive. Our comparative results, which do control for country fixed effects and initial levels of GDP per capita, are nevertheless consistent with the conclusions of Acemoglu et al. (2019) that growth in average incomes under democracy is higher than under autocracy, even in the longer term. Our approach has the advantage of making within-country comparisons across periods of sustained political institutions; this comes at the cost of size and representativeness of the country sample. One conclusion emerges quite clearly, however: Even modest methologically informed improvements to analyses of growth rates across regimes undermine the idea that autocratic regimes are economic success stories.

Our empirical analysis has focused on the links between political institutions and growth in average income (GDP per capita). Data limitations means that corresponding analyses of poverty rates are not possible. While growth in average incomes is not the same as poverty reduction, a number of empirical studies suggest that mean income growth reduces poverty, and more so in countries with low levels of initial inequality (Ravallion, 1997; 2001; Dollar and Kraay, 2002; Bourguignon, 2003; Adams, 2004; Ferreira and Ravallion, 2009; Margitic and Ravallion, 2019). We note that the Gini coefficient of China in 1990, right before the recent expansion of the economy started, was .32, which is low in international context.[v] Based on the available evidence, then, a democratic China would likely have seen not only faster growth in mean incomes, but also a more rapid reduction in poverty.

In sum, we conclude that the existing literature on democracy and growth combined with the results presented above suggest that the statement by Apple CEO Tim Cook which kicked off our introduction is not only an example of legitimization of an autocratic regime, but also likely to be without empirical support. By implication, arguments that superior results of autocracies in terms of welfare or economic and social rights justify legitimizing regimes that lack substantive legitimacy are unlikely to succeed.

4. Concluding remarks: Towards a research agenda

Billions of people worldwide live under the thumb of autocratic governments, with limited say in how their societies are run, and more are at risk of doing so given the increasing economic power of autocratic regimes and their efforts to influence the institutions of other countries. To help make their situation better, and avoid making it worse, we have to understand the strategies of autocratic regimes. This also goes for corporations operating in or otherwise relating to countries with undemocratic governments. We should not add to the perceived legitimacy of regimes whose substantive legitimacy is in question. We should not play into these regimes' evolving methods of cementing their own power and authority. In this article, we have argued that the concept of legitimization highlights authority and positions from which acts are made and power wielded, the importance of legitimacy to act on behalf of others and accountability to them, and the role corporations play in conferring legitimacy through material and symbolic actions. In important ways, this complements conventional analysis of corporate government relations centred around the concept of complicity.

An intention of this paper is for our analysis to lead up to a research agenda. We outline here three key components of such an agenda; a conceptual, normative, and empirical part. All three would take as their point of departure the central idea that symbolic acts of legitimation are problematic where they increase perceived legitimacy in the absence of substantive legitimacy. Conceptually, though we have distinguished between four forms of symbolic acts of legitimization – acceptance of formal authority, submission to power, accreditation of goals, and praise of performance – this list is not meant to be exhaustive; there might be other forms that are important. A key concept in the analysis is that of substantive legitimacy, which we have tied to having the consent of the people you claim to act on behalf of, and which at the government level we have argued is based on democratic accountability. While autocratic governments cannot in any realistic way claim to rule with the consent of its citizens, there are nuances here with respect to how democracies are structured and what this means for substantive legitimacy. Clearly, formal democracy is not enough for substantive legitimacy of governments, the influence of citizens must in some sense be real, and this is something that would benefit from further elaboration. Moreover, one should consider how requirements of substantive legitimacy of governments relate to other concepts in international relations, including the concept of sovereignty. Here, substantive legitimacy will likely be more consistent with an idea of citizen sovereignty rather than government sovereignty, which would entail a shift in how these types of arguments are presented and debated in international relations.

The normative part of the research agenda should aim at analysing and distinguishing the moral status of different acts of legitimization performed by different actors towards different agents in different contexts, in much greater detail than what has been done here. This includes a more elaborate delineation of negative and positive obligations than we could perform here, also given the obligations of other non-corporate agents, and including the non-ideal setting where their obligations are not observed. The relative obligations of home country governments and corporations need to be analysed here; the primary obligations for recognizing and adding authority to foreign governments are likely to reside with the former. However, how should we think about corporate obligations where a home government chooses to disregard substantive legitimacy in its relation to other governments? The failure of a home government to include these dimensions in foreign policy does not necessarily absolve corporations of negative obligations to avoid legitimizing autocratic regimes. One could also imagine instances in which the legitimizing power of corporations could be stronger than that of their home governments, for instance in terms of lending credibility to claims of high autocratic economic performance, which could make blindly following the policy of the home government problematic. A final aspect that may be even more challenging to analyse, are the positive obligations corporations may have to legitimize pro-democracy forces in autocracies. Here considerable creativity is possible in terms of recognizing and interacting with non-regime controlled unions and organizations are possible, and these options merit further consideration.

The empirical part of the agenda would include an analysis of when and how different forms of legitimization are used for strategic advantage by corporations. How is this shaped by business opportunities and threats in societies governed by autocratic regimes, how are these strategies affected by regime type and the self-legitimizing strategies of autocratic regimes, and other aspects of the economic, social and cultural context? Is there any potential backlash from consumers, workers, regulators or other stakeholders in democratic countries where a company operates, and how does this measure up against any strategic advantages generated in the markets of autocratically governed countries? The other main empirical question to pursue is the extent to which symbolic acts of legitimization actually increase the perceived legitimacy of an autocratic regime. This will likely vary with the position and authority of the company and executive performing these acts. Paradoxically, it is also possible that praise of an autocratic regime that is seen as self-serving, may have little effect on the perceived legitimacy of the regime. Nevertheless, an emerging literature on the effects of large sporting events suggest that this is used by autocratic regimes to increase support, possibly to some effect (Baade and Matheson, 2016; Næss, 2018). Their formal status notwithstanding, it probably makes sense to view international organizations like the International Olympic Committee and FIFA as corporations rather than NGOs. There is, however, a lack of knowledge on how statements and actions by corporations and their executives affects perceptions of regime legitimacy more broadly.

On a more general note, corporations and their executives not only confer legitimacy on governments, but also other agents, like business partners, business associations, or even unions. In cases of compensation for corporate wrongdoing, legitimacy is also conferred by recognizing certain individuals or organizations as representatives of the populations suffering harm. We would be quick to call middle-men of these types fraudulent if lacking the consent of the people they claim to represent. As for the case of corporate government relations discussed in this article, the corporation as legitimizer rather than legitimizee has been largely overlooked in the CSR literature. We should also recognize and analyse the ways in which the legitimacy of corporations and that of governments are linked. It is hard to see how accreditation, recognition or permission received from an autocratic government that lacks substantive legitimacy, actually provides a licence to operate commercial enterprise that affects the interests of the citizens of a country. Even the defence that corporations provide jobs and activity in undemocratic countries seems to fail given the empirical results on democracy and development; more jobs and activity would likely be available under a different regime.

Appendix A. Additional results

Table A 1. Fixed effects regressions of 20- and 15-year average growth rates on democracy, ex interregnum years.

	(1)	(2)	(3)	(4)
Dependent variable	*Growth (20-year average, ex interregnum)*	*Growth (20-year average, ex interregnum)*	*Growth (15-year average, ex interregnum)*	*Growth (15-year average, ex interregnum)*
Democracy	0.001	0.020***	0.005	0.020***
	(0.01)	(0.01)	(0.00)	(0.00)
GDP per capita at base year		-0.000***		-0.000***
		(0.00)		(0.00)
Constant	0.026***	0.054***	0.021***	0.058***
	(0.00)	(0.01)	(0.00)	(0.01)
Country fixed effects	Yes	Yes	Yes	Yes
r2	0.001	0.573	0.038	0.640
N	38	38	60	60

*Note: Robust standard errors in parentheses. *** indicates significance at the 1% level, ** at 5%, * at 10%.*

Notes

[i] See https://www.youtube.com/watch?v=Rqi8ZM2UW14, last accessed 9 November 2019. The statement is made approximately 1:55 into the video.

[ii] See for instance https://www.un.org/sg/en/content/sg/statement/2018-09-03/secretary-generals-remarks-china-africa-cooperation-summit-delivered and https://www.businesstelegraph.co.uk/hsbc-chief-exec-john-flint-comes-under-fire-after-praising-chinas-communist-regime/, both last accessed 23 November 2019.

[iii] See for instance Kolstad (2019).

[iv] See http://www.systemicpeace.org/inscr/p4manualv2018.pdf, last accessed 11 November 2019.

[v] Source: World Bank World Development Indicators database.

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