

Information, Democracy, and Autocracy

Economic Transparency and Political (In)Stability

JAMES R. HOLLYER

University of Minnesota

B. PETER ROSENDORFF

New York University

JAMES RAYMOND VREELAND

Princeton University



CAMBRIDGE UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom

One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi - 110025, India

79 Anson Road, #06-04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781108420723

DOI: 10.1017/9781108355100

© James R. Hollyer, B. Peter Rosendorff, and James Raymond Vreeland 2018

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2018

Printed in the United States of America by Sheridan Books, Inc.

A catalogue record for this publication is available from the British Library.

ISBN 978-1-108-42072-3 Hardback

ISBN 978-1-108-43080-7 Paperback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party Internet Web sites referred to in this publication and does not guarantee that any content on such Web sites is, or will remain, accurate or appropriate.

Contents

<i>Figures</i>	page xi
<i>Tables</i>	xiii
<i>Acknowledgments</i>	xv
1 A New Approach to the Study of Transparency	1
1.1 <i>Measuring Different Facets of Transparency</i>	7
1.2 <i>Transparency, Stability, and Higher-order Beliefs</i>	15
1.3 <i>Why Disclose</i>	18
1.4 <i>Implications for Policymakers</i>	23
1.5 <i>Academic Audiences: Comparative Politics, International Relations, American Politics, and Public Choice</i>	23
PART I FACETS OF TRANSPARENCY	
2 The Content of Information	32
2.1 <i>A Formal Heuristic for the Study of Transparency and Political Accountability</i>	32
2.2 <i>Common Knowledge and Higher-order Beliefs</i>	37
2.3 <i>Operationalizing Transparency</i>	38
3 The HRV Index of Transparency	44
3.1 <i>Construction of the Index</i>	45
3.2 <i>The Value of Item Response Theory</i>	52
3.3 <i>Face Validity</i>	56
3.4 <i>Conclusion</i>	69
3.5 <i>Appendix</i>	70

4	Comparing Measures of Transparency	75
4.1	<i>The Covariance of Facets of Transparency</i>	75
4.2	<i>Data Dissemination and Institutional Transparency</i>	77
4.3	<i>Data Dissemination and the Media</i>	78
4.4	<i>Transparency, Capacity, and Willingness</i>	84
4.5	<i>Conclusion</i>	88
PART II POLITICAL (IN)STABILITY		
5	Transparency and (In)stability: The Theory	93
5.1	<i>(In)stability as a Global Game</i>	94
5.2	<i>The Baseline (Autocratic) Model</i>	100
5.3	<i>The Democratic Model</i>	117
5.4	<i>Summary of the Empirical Implications of the Two Models</i>	128
5.5	<i>Appendix</i>	129
6	The Evidence: Examples and Descriptive Data	140
6.1	<i>Measures of Political (In)stability</i>	142
6.2	<i>Examples and Descriptive Data</i>	150
6.3	<i>Summary of the Examples and Descriptive Data</i>	171
7	The Evidence: Regression Analyses	172
7.1	<i>Analysis of Autocratic Instability</i>	174
7.2	<i>Analysis of Democratic Stability</i>	198
7.3	<i>Conclusion</i>	211
PART III WHY DISCLOSE		
8	Transparency and Investment	217
8.1	<i>Investment and Information</i>	220
8.2	<i>The Impact of Regime Type</i>	223
8.3	<i>Empirics</i>	226
8.4	<i>Conclusion</i>	243
9	Why Democracies Disseminate More Data than Autocracies	247
9.1	<i>Democracy and Transparency</i>	249
9.2	<i>The Effect of Democracy on Transparency</i>	250
9.3	<i>Evidence</i>	256
9.4	<i>Conclusion</i>	265
9.5	<i>Appendix</i>	267
10	Why Autocrats Disclose	269
10.1	<i>Twin Threats to Autocratic Survival</i>	272
10.2	<i>Information Provision in Autocracies</i>	273
10.3	<i>The Model</i>	275
10.4	<i>Summarizing the Argument and Its Empirical Implications</i>	283
10.5	<i>Descriptive Data and Examples</i>	287

<i>Contents</i>	ix
10.6 <i>Regression Analysis</i>	297
10.7 <i>Conclusion</i>	307
10.8 <i>Appendix</i>	308
CONCLUSION	
11 <i>Consequences of Transparency</i>	317
11.1 <i>Economic Benefits</i>	317
11.2 <i>Transparency and Democracy</i>	318
11.3 <i>Transparency and Instability under Autocracy</i>	320
11.4 <i>Policy Advice: Promote Democratic Stability, Not Autocratic Instability</i>	323
11.5 <i>Advancing the Scholarly Debate on Transparency and Stability</i>	332
11.6 <i>Conclusion</i>	334
<i>References</i>	337
<i>Name Index</i>	367
<i>Subject Index</i>	376