

Autocracy and Human Capital

A burgeoning literature in comparative political economy has highlighted the importance of human capital in economic growth and development. Commonly defined as “the knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances” (OECD 2001), human capital is argued to increase productivity and wages among individuals at the micro level (Becker 1964; Mincer 1974; Psacharopoulos and Patrinos 2004). At the macro level,

educated citizens are more likely to demand political reforms, why would these authoritarian regimes commit political suicide by enlightening their own population?

This paper offers a theory to solve this puzzle. The key argument here is that dictators invest in human capital as a way to consolidate their authoritarian regimes. Specifically, by investing in human capital, dictators can effectively boost citizens' perceived level of social mobility. In so doing, dictators can preemptively ameliorate the pressure for redistribution from the poor and neutralize threats of revolution facing the regime. The argument is grounded in the well-known prospect of upward mobility (POUM) model as well as theories of inequality and regime transition. The POUM model posits that countries where voters perceive relatively high social mobility will opt for low levels of redistribution since they expect to become rich in the near future (Benabou and Ok 2001). Meanwhile, as many studies have demonstrated, the perception in high inequality and the demand for redistribution can lead to conflict of economic interest between different economic classes, which in turn can result in political instability and even the breakdown of authoritarian regimes (Alesina and Perotti 1996; Acemoglu and Robinson 2005; Boix 2008). In other words, the logical chain in this paper runs from the effect of human capital on citizens' preference for redistribution to the regime consolidation in authoritarian countries.

To test the hypotheses, this paper compiles a dataset that covers more than 70 authoritarian regimes from 1970 to 2010. The paper first investigates whether human capital formation reduces the odds of regime collapse in authoritarian countries. Then

the large-N quantitative analysis with comparative case studies from Taiwan, South Korea, and the Philippines.

This paper contributes to the growing literature on authoritarian politics. Recently many scholars emphasize how dictators use pseudo-democratic institutions to enhance authoritarian survival. For instance, authoritarian elections and parties enable dictators to co-opt ruling elites and opposition groups within society (Gandhi 2008; Magaloni 2008; Svobik 2012). Yet the literature has emphasized the adaption of political institutions over the use of various economic policies to sustain their rules. Unfortunately our understanding on authoritarian politics still lags behind if we simply treat the choice of policies as a direct by-product of institutional arrangements. Therefore, by focusing on the provision of human capital, this paper adds the supply side of the economic policy to the literature and thus contributes to a fuller understanding of the political economy of authoritarian regimes.