Analyzing state capture in post-communist countries and beyond

Miloš Resimić
Department of Political Science
Central European University
MA Programme in Political Science
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Class meetings: TBA
Office hours: TBA

Introduction
State capture, as a widely present phenomenon in post-communist countries, carries a danger of eroding democratic institutions in democratic regimes and strengthening authoritarian practices and impeding democratization in autocracies. Conventional accounts of state capture tend to define the concept in a narrow unidirectional way by emphasizing the dominance of business actors over the state. The main aim of this course is to unpack the concept of state capture, by stressing the relevance of both political and business actors in understanding its multi-relational nature. The course aims to provide both domestic and international perspectives in analyzing state capture, by looking at the role of external actors, such as the EU.

In this course, we will evaluate and answer the following questions: What is the nature of state capture? Why is the unidirectional approach of conventional studies insufficient to understand it? How does state capture function in practice in post-communist countries? In which ways does it contribute to the erosion of democratic institutions and to the maintaining of autocratic regimes in the status quo? How do different levels and types of state capture affect economic development? What is the role of international actors (EU conditionality, EU cohesion funds, international organizations, multinational firms) in influencing the levels of state capture in a country? Finally, what are the institutional ways of combating state capture, both on a domestic and on an international level, based on empirical studies? We will review the existing scholarship on state capture which starts with its narrow unidirectional definition and evolves into more fine-grained studies which use micro-level approach to analyze state capture in post-communist countries. We
will also look at how governments and specifically political parties interact with business actors (i.e. oligarchs) in different countries, considering the institutional context.

We will identify the main driving actors on both the political and the business side in order to understand how their interplay influences the levels of state capture in a country. In doing so, the course will rely on cutting-edge research that approaches the phenomenon of state capture from a micro-level perspective.

**Pre-conditions**

No prior knowledge is assumed.

**Learning outcomes**

By the end of the course, the students will:

- Understand the main conceptualizations of state capture, and the characteristics of the main political and business actors involved in this process,
- Get familiar with the relationship between state capture and related concepts of rent seeking and corruption and understand the distinctions between them,
- Get familiar with various possible methodological approaches in analyzing state capture, ranging from case studies to network analysis,
- Understand the role of state capture in political regime formation and transition,
- Learn about the role of external actors, including the EU and financial institutions, in curbing or enhancing the levels of state capture in a country,
- Learn how to analyze empirical cases of state capture.

**Course requirements and assessment**

The grading follows the standard scale adopted by the Department of Political Science: A: 100-96; A-: 95-88; B+: 87-80; B: 79-71; B-: 70-63; C+: 62-58; F: 57-0.

The grade will be composed as follows:

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<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>In class participation</td>
<td>10%</td>
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<tr>
<td>Presentation or reflection</td>
<td>25%</td>
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<td>paper</td>
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Take home exercise 25%
Final paper 40%

**In class participation**

Students are expected to regularly attend classes and to actively participate in discussions, relying on the mandatory readings. They should critically reflect on the readings, engage in discussions with other students and ask questions. If you are not able to attend a session, notify me via email prior to the beginning of the class.

**Presentation**

Each student should deliver one presentation related to one of the topics of our weekly seminars, starting from Week 2. The presentation should be 15-20 minutes long, and it should be based on more than the mandatory readings for the week and include related further readings. The presentations could also be done in pairs, in which case they should be 30-40 minutes long. It should include the presentation of and the critical reflection on the main arguments of the selected readings. The details will be discussed in the first session of the seminar.

**Reflection paper**

Instead of presentation, students can decide to write a reflection paper. Students are asked to briefly summarize the main arguments of the mandatory readings for the selected week and to offer a critical reflection of these arguments, taking into account the readings from previous weeks. The more critical content in the paper, the better. The paper should be 950-1000 words long and it should be submitted a day before the lecture.

**Take home assignment**

Students will have one take home assignment after Week 7. Students will get to choose one case study provided by the instructor that exemplifies a state capture dynamic. Building on knowledge from the previous weeks and relying on both mandatory and further readings (to be provided by the instructor), students are asked to write a 950-1000 words long assignment. In this assignment, students should choose one theoretical paper and explain in which ways it succeeds and/or in which aspects it fails to capture the dynamic observed in the case study. Some of the questions to answer
are: Who are the most consequential actors that you identify in the case study? Does the selected theoretical framework predict who the main actors driving the state capture dynamic are? Does the theoretical framework help you to identify the relevant political actors? You will have one week to complete the essay. Further details will be discussed in the first session.

**Final paper**

The final paper is intended to show that students can use the knowledge from the course to analyze empirical cases. Thus, students are asked to write a paper that will rely on a theoretical framework discussed in one of the seminars and apply it to the analysis of one empirical case of state capture of their choice. Suggestions will be offered by the instructor. The paper should be 3000 words long (±100 words).

**Auditing**

Students who audit the course are asked to attend sessions regularly, read mandatory papers and actively participate in discussions.

Please do not plagiarize, as it is not acceptable, and it will be handled according to the department rules. All written assignments should be submitted on Moodle and will be checked for plagiarism by Turnitin.

According to policies of the Department of Political Science, late submissions of written assignments will be downgraded in the following manner:

- 1 minute to 24 hours late: 1 grading point,
- 24.1 hours to 48 hours: 2 grading points,
- etc.

A violation of the word/time limit leads to the following downgrading:

- each 5% deviation from word/time limit: 1 grading point.
Course programme

Week 1 - Introduction to the course and to the topic

The first session will be dedicated to introducing students to the course: its requirements, workload, and other technical details. In the second part of this session, we will start discussing the phenomenon of state capture, its different definitions, and conceptualizations.

*Mandatory readings:*


Week 2 - Approaches to studying state-business relations and state capture

In Week 2, we will discuss some theoretical perspectives of studying state-business relations and state capture from a political science stance. This week will serve as a theoretical and conceptual introduction into empirical studies in the weeks that follow.

*Mandatory readings:*


*Further readings:*


Week 3 - State capture in transition economies

We will address some breakthrough empirical research on state capture in transition economies and look at how do these studies conceptualize business actors. Do they try to unpack the actors within the state? Who are the most consequential players in the dynamic of state capture? We will address the main advantages of this line of research and point out some of their theoretical and
empirical limitations with regards to the phenomenon of state capture, such as their predominant focus on the business side of the state capture equation.

*Mandatory readings:*


**Week 4 - Varieties of state capture**

In Week 4, we will look at different categorizations of state capture. We will discuss the studies that recognize the importance of the interplay between politics and business for different modalities of state capture.

*Mandatory readings:*


*Further readings:*


**Week 5 - Political-business ties: the nature of the relationship (Part I)**

In Week 5, we will look at studies that map out the relationship between political and business actors in different political regimes, by emphasizing the relevance of political parties and/or big business in this dynamic.

*Mandatory readings:*


*Further readings:*


**Week 6 - Political-business ties: the consequences for state capture (Part II)**

We will look at how different configurations of political-business ties influence modalities of (state) capture and institutional development.

*Mandatory readings:*


*Further readings:*


**Week 7 - State capture, predation, and property rights protection**

How do oligarchs protect their wealth in lawless settings? What are the strategies of firms in defending from predatory attacks of the state? In this week, we will look into some recent groundbreaking scholarship that focuses on strategies of property rights protection and on the role of oligarchs in the state capture dynamic.

*Mandatory readings:*


Further readings:


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**Week 8 - The value of political connections**

What do political connections bring to firms? Do they give them advantages in comparison to nonpolitcized ones? When do these connections become a burden for a firm? Why do businesspeople enter politics? Does this move help their firms? How cronyism operates in captured states? These are some of the questions we will discuss in Week 8.

**Mandatory readings:**


**Further readings:**


**Week 9 - State capture and democratic backsliding**

How does state capture relate to political regime transition and formation? In which ways does state capture inhibit democratization? What is the relationship between state capture and democratic backsliding? These are some of the questions to be discussed in Week 9.

*Mandatory readings:*


**Week 10 - State capture, corruption and organized crime**

In Week 10, we will try to understand the relationship between concepts of corruption and state capture, as well as the relationship between political violence and capture, focusing on case studies of Hungary and Mexico.

*Mandatory readings:*


*Further readings:*

Week 11 – State capture, rent seeking and corruption in transition economies

How prevalent is state capture in different transition economies? How does the level of political and economic development affect the levels of state capture in a country? What are forms of rent-seeking behavior in post-communist countries? In Week 11, we will discuss these questions focusing on post-communist transition countries.

*Mandatory readings:*


*Further readings:*


Week 12 - State capture and the role of external actors: the EU conditionality and the EU cohesion funds

What role do external actors play in the dynamic of state capture? What is the role of the EU conditionality and how effective is it in curbing state capture? Further, we will look at how EU financial sources can be misused to contribute to democratic backsliding and rising levels of corruption and state capture in a country.

*Mandatory readings:*


*Other useful readings:*


