

# Democracy's Future: Riding the Hegemonic Wave

In 1938, a worried British diplomat described what he saw as a troubling development in his region. “It certainly seems that an authoritarian wave is beginning to surge through the countries of Central and Eastern Europe,” he wrote. “The trend is away from democracy which is represented as clogging and inefficient.”<sup>1</sup>

Though written eight decades ago, his complaint would not seem out of place today. Fears of democratic decline wax and wane; each time the threats seem unprecedented. The rise of China, the Trump presidency, the use of social media to subvert elections—today all these appear to be new challenges with few historical parallels. But the anxieties that they evoke find close parallels in the debates over democracy's fate for over a century.

So what can the history of global democracy tell us about its future? A lot, as it turns out. Because the evolution of modern democracy—its global spread and retreat over the past century—has followed a surprisingly specific pattern. Since the end of World War I, the rise and fall of democratic institutions has been marked by abrupt democratic *waves*—sudden, turbulent, often unsuccessful bursts of reform that quickly sweep across national borders. (See Figure 1)

Nor is this pattern of fits and starts limited to democracy. Fascism in the late interwar years and communism after World War II both expanded through cross-border surges driven not only by conquest but also by material influence and even sincere admiration.

---

Seva Gunitsky is an associate professor of political science at the University of Toronto. He is the author of *Aftershocks: Great Powers and Domestic Reforms in the Twentieth Century* (Princeton University Press, 2017).

---

Copyright © 2018 The Elliott School of International Affairs  
*The Washington Quarterly* • 41:2 pp. 115–135  
<https://doi.org/10.1080/0163660X.2018.1484233>

**Figure I. Average Global Level of Democracy, 1900-2016<sup>2</sup>**

What does the looming presence of these waves, both democratic and nondemocratic, tell us about the nature of domestic reforms? And what can it reveal about the forces that undermine democracy? After all, a number of powerful theories have been put forward to explain the causes of democratization. Many of these, however, focus on some element of the country's internal environment that can help or hinder reforms—economic development, class relations, or civil society, to name just a few. These domestic explanations cannot tell us much about waves of regime change, which by definition defy and transcend national influences. Understanding the sources of these waves—and the causes of their demise—requires stepping outside the state and focusing on the international system as a whole.

Once we do so, we see that the success and failure of democracy has hinged not only on domestic developments but on repeated transformations of the international system. Namely, the abrupt rise and fall of great powers has repeatedly led to intense and sweeping waves of domestic reforms, both toward and away from democracy. These *hegemonic shocks*, or the outcomes of tectonic clashes between great powers, create cascades of domestic reforms that repeatedly sweep across borders and deeply alter the paths of state development.

In the twentieth century, the two World Wars, the Great Depression, and the Soviet collapse each produced global waves of reform that predictably reflected the changing structure of hegemonic power.<sup>3</sup> In not just the democratic waves that followed World War I and the Soviet collapse, but also in the fascist wave of

the 1930s and the twin waves toward democracy and communism after World War II, shifts in the distribution of hegemonic power produced bursts of reform that influenced many states around the world.

What does this mean for how we think about the evolution of democracy? First and most broadly, it suggests that domestic change during the twentieth century often cannot be explained by the specifics of local revolts from below or elite concessions from above. Instead, contention was often embedded in a broader global process—a decades-long confrontation between hegemonic rivals who embodied and promoted competing regime types. In this way, domestic party realignments and coalitional shifts often became reflections of broader geopolitical dynamics rather than of internal forces or party intrigues. Transformations of the international system, not just the internal attributes of states, have been major and often under-examined drivers of globe-spanning regime change.

The relationship between the international and the domestic is often obscured by the vivid particularities of local reform—the despised tyrant, the crowds in public squares, the seemingly unique social forces and historical contingencies that shape each country's institutional trajectory. Yet, the aftermath of hegemonic shocks created powerful incentives for domestic reform even in countries that had little to do with the great powers themselves. As a result, the evolution of modern democracy cannot be completely understood without taking into account the effects of these systemic upheavals. Hegemonic shocks not only altered the global hierarchy of leading states, but also shaped the wave-like spread and retreat of democracy and its rivals. The volatile evolution of democracy during the twentieth century has been closely linked to tectonic shifts in the structure of global power.

Second, looking at the history of democracy through the prism of hegemonic shocks suggests that moral appeal has never been sufficient for democracy's success. Instead, democracy's victory has relied on the outcomes of severe crises in which democratic great powers emerge triumphant. When they do so, their victory appears natural and preordained. But when they fail to do so, as during the Great Depression, the tide of popular and elite opinion shifts just as readily and naturally against democratic institutions. The late interwar years witnessed a rapid hegemonic transition in which German power quickly matched and threatened to overtake a stagnant United States. The wave of institutional reforms of the 1930s closely followed the contours of this hegemonic shift. As the relative power of democratic regimes declined, democracy was increasingly seen as outdated, inefficient, and undesirable.

**The success and failure of democracy has hinged on repeated transformations of the international system.**

Relatedly, the links between hegemonic shocks and democratic waves highlight just how much the spread of democracy has relied on the rise and maintenance of American power. Hegemonic transitions in which the United States emerged victorious—1919, 1945, or 1991—led to intense (if often fragile) bursts of democratic reforms. Even in countries not directly affected by the geopolitical clashes, the aftermath of these shocks served to validate and reinforce the moral and material appeal of democracy. When Turkey ended a long period of single-party rule in 1945 and began a stormy transition to multiparty democracy, future premier Adnan Menderes (1950-1960) explained the shift in terms that captured the effects of hegemonic shocks: “The difficulties encountered during the war years uncovered and showed the weak points created by the one-party system in the structure of the country,” he declared. “No country can remain unaffected by the great international events and the contemporary dominating ideological currents. This influence was felt in our country too.”<sup>4</sup>

**America’s key contribution has been its status as a model worth emulating and a side worth joining.**

This does not mean, however, that American imperialism has undergirded democratic success—in fact quite the opposite. America’s key contribution to the global spread of democracy has not been through conscious efforts at direct democracy promotion, which have often been clumsy, inconsistent, and hypocritical. Rather, it has played its most important role indirectly, through its exalted status as a model worth emulating and a side worth joining. During the twentieth century, U.S.

success in surviving hegemonic crises served to legitimate the regime that it embodied, creating powerful incentives for leaders around the world to place themselves in the American camp. As a result, American decline will have profoundly negative consequences for the global appeal of democratic governance as a model of emulation.

Third, thinking about democracy as a series of shock-driven waves helps us understand why so many democratic transitions fail and roll back into despotism. Every democratic cascade has also been defined by some degree of failure after an initial burst of success. This failure can be total, as in the short-lived wave after World War I, or partial but persistent, as in the African wave following the Soviet collapse.

Hegemonic shocks in which democracy emerges on the winning side create extremely powerful but *temporary* incentives for democratization. In the euphoric early stages of a democratic wave, a wide variety of states experience immense pressures to democratize, and these pressures can override the domestic constraints which prevent reforms in times of normal politics. Countries with strained class

relations, ethnic tensions, low levels of economic development, and no history of democracy suddenly find themselves swept up in the initial momentum of the wave.

As a result, the failures of democratic waves are not just a common side effect but a key part of the process, stemming from the very same forces that forge waves in the first place. While the hegemonic shock of the Soviet collapse led to partial democratization in many states, the international pressures that initially drove democratization either disappeared or reverted to the assertion of traditional geopolitical interests. In the absence of continued external support for reforms, the reform coalitions that pushed for democratic reforms fell apart or became co-opted by quickly-adapting elites. The rise of hybrid regimes since the Soviet collapse can therefore be seen as the byproduct of two interacting forces—the enormous systemic pressures for democratic reform combined with the reassertion of autocratic interests once those pressures faded away.

### **Connecting Shocks to Waves**

Though each regime wave was unique, its broad contours were shaped by predictable material and social changes in the global order forged by a hegemonic transition. Namely, there are three recurring mechanisms that connect shocks to waves—hegemonic coercion, inducement, and emulation.

First, hegemonic shocks create windows of opportunity for regime imposition by temporarily lowering the costs and raising the legitimacy of foreign occupations. The communist wave in Eastern Europe, for example, was made possible by the Soviet Union's victory in the Second World War and its postwar ascent to superpower status. The same is true for democratic impositions, which seem to have a much better chance of succeeding after hegemonic shocks. In fact, great powers act very differently in the immediate wake of hegemonic shocks—they become much more likely to intervene in other states, and when they do so, they are much more likely to impose their own regime than in periods of “normal” politics.

Second, hegemonic shocks enable rising great powers to quickly expand their networks of trade and patronage. Doing so shifts exogenously the institutional preferences of many domestic actors and coalitions at once. In this way, rising powers are able to shape the regimes of other states by swiftly altering the incentives and opportunities for adopting particular domestic institutions. Sometimes, the threats and promises of certain inducements are sufficient. “[W]e will hold in our hands the powerful weapon of discontinuance of aid,” wrote a U.S. State Department official about the Marshall Plan, “[if] any country fails to live up to our expectations.”<sup>5</sup> While great powers continuously seek ways to shape the incentives of weaker peers, their ability to do so rises dramatically after hegemonic transitions

in which they emerge triumphant. By contrast, countries that suffer a sudden decline will be diminished in their capacity to exercise influence beyond their borders. The Soviet collapse, for example, disrupted patronage networks throughout Africa in the early 1990s, undermining the basis of stable rule for many of the continent's despots.

Third, hegemonic shocks inspire emulation by credibly revealing hidden information about relative regime effectiveness to foreign audiences. By producing clear winners and losers, shocks legitimize certain regimes and make them more attractive to would-be imitators. Material success, in these cases, often creates its own legitimacy: regimes become morally appealing simply by virtue of their triumph in a tense struggle. The norms, practices, and institutions of the rising hegemon become seen as desirable and acceptable. By contrast, hegemons whose fortunes suddenly decline will find their regimes discredited and abandoned by former followers or sympathizers. Success is contagious, in other words, but only failure demands inoculation.

**In the wake of shocks, rising hegemons are able to impose their regimes on others through three processes.**

Since hegemonic competition is a game of relative gains and losses, the rise in the status of one great power is necessarily accompanied by the decline of another. In the wake of shocks, rising hegemons are able to impose their regimes on others through one or more of these three processes: brute force (coercion), to influence the institutional choices of these states more indirectly through patronage and trade (inducements), or to simply sit back and watch the imitators climb onto the bandwagon (emulation). The declining hegemons, meanwhile, face an equally powerful but countervailing

set of forces: their capacity to coerce erodes, their ability to influence others through various levers of economic and political inducement declines, and the legitimacy of their regime as a model for emulation evaporates, revealed to be inadequate under duress.

Not all regime waves, to be sure, are caused by hegemonic transitions. The Arab Spring of 2011, for example, was largely disconnected from any broader shifts in the global distribution of power. These kinds of waves are driven by horizontal cross-border linkages rather than vertical impulses, and thus fall outside the scope of the argument. The twentieth century, however, was dominated by waves that were forged by great power transitions. In fact, every hegemonic shock of the twentieth century produced a wave of domestic reforms. (Shocks are therefore a sufficient but not necessary condition for waves.)

After the four hegemonic shocks of the twentieth century (see Table 1), the regime type of the rising great powers shaped the content of the institutional

**Table 1: Hegemonic Shocks and Regime Outcomes in the Twentieth Century**

| Hegemonic Shock     | Rising Hegemon(s)             | Institutional Wave(s)  | Declining Hegemon(s) | Declining Regime |
|---------------------|-------------------------------|------------------------|----------------------|------------------|
| 1. World War I      | United States                 | Democracy              | Germany              | Monarchy         |
| 2. Great Depression | Germany                       | Fascism                | United States        | Democracy        |
| 3. World War II     | United States<br>Soviet Union | Democracy<br>Communism | Germany              | Fascism          |
| 4. Soviet Collapse  | United States                 | Democracy              | Soviet Union         | Communism        |

wave that followed. After World War II, for example, both the United States and the Soviet Union emerged with their relative power and global prestige greatly strengthened by the triumph over the Axis powers. Despite the profound differences in their content, both regime waves propagated through a mixture of coercion (through occupation and nation building), influence (via the expansion of trade, foreign aid, and newly built international institutions), and emulation (by outsiders impressed with the self-evident success of the two systems).

### Hegemonic Coercion

The first way in which shocks lead to waves is by increasing the likelihood of external regime impositions by rising great powers. By producing stark but temporary disparities in relative power, shocks create windows of opportunity for rising hegemons to impose their regimes abroad. And by discrediting the defeated elites, hegemonic shocks resulting from major wars temporarily increase the legitimacy of foreign occupations. As the historian John Dower argues, the success of the postwar occupation of Japan was made possible at least in part by the nature of the war that preceded it, and by the decisive defeat that brought the war to its end. People “at all levels of society quickly blamed their own militaristic leaders,” he writes, “for having initiated a miserable, unwinnable war.”<sup>6</sup> The dramatic discrediting of wartime leadership gave the U.S. occupation of Japan legitimacy absent in its occupation of Vietnam, Iraq, and elsewhere. Japan’s vast institutional transformation, argue scholars G. John Ikenberry and Charles Kupchan, became possible because “the pre-war system had been discredited by the disastrous consequences of Japanese expansion and aggression.”<sup>7</sup>

These conditions are not unique to democracies. The Soviet occupation of Eastern Europe after World War II was also initially legitimized by the USSR’s military and moral victory. Before it became an instrument of oppression, the Red Army was welcomed as a force for liberation and social progress. In 1945, recalls the novelist Milan Kundera, the people of Czechoslovakia “showed great enthusiasm for Russia—which had driven the Germans from their country—and because they considered the Czech Communist Party its faithful representative, they shifted their sympathies toward it.”<sup>8</sup> Early Soviet reforms in Hungary

and elsewhere focused on land reforms rather than Soviet-style nationalization—reforms desperately desired and thus welcomed by the rural population. For the first time since the introduction of serfdom in 1514, “the rigid social system started to move,” wrote the political theorist István Bibó, “and move in the direction of greater freedom.”<sup>9</sup>

Shocks therefore create both material and normative opportunities for impositions of the hegemon’s regime. These factors simply do not come into play with interventions that occur in the absence of hegemonic transitions. Studies of external impositions, however, generally do not distinguish between impositions that occur in the wake of hegemonic shocks and those that occur in the course of normal politics. If they did, we might expect that military hegemonic shocks should temporarily increase the likelihood that great powers would choose to promote their own regime. This can be tested empirically by looking at the rates and types of regime promotions over the twentieth century. During the twentieth century, great powers were responsible for about 60 percent of all regime impositions since 1900. However, great powers nearly monopolize regime promotion in the wake of military hegemonic shocks, when they are promoters in 31 of 34 cases (91 percent).<sup>10</sup> Moreover, great powers are far more likely to promote their own regimes after shocks (94 versus 66 percent).<sup>11</sup>

**All but two U.S. interventions in the wake of hegemonic shocks have involved attempts to build democracy.**

Throughout its long history of external interventions, the United States has often promoted regimes inimical to democracy. During the Cold War, the United States intervened repeatedly to install or prop up dictatorships in Iran, Guatemala, Vietnam, and many other states. Yet all but two U.S. interventions in the wake of hegemonic shocks have involved attempts to build democracy, however unsuccessfully.<sup>12</sup>

In the long list of failed American attempts at democracy promotion, Germany and Japan stand out as prominent exceptions. Their exceptionalism, it has been argued, derives from rare domestic circumstances—economic development, national unity, and past experience with democracy—that aided democratization.<sup>13</sup> Yet the focus on domestic forces overlooks the possibility that these may be contingent on the broader geopolitical environment in which these occupations take place.

Shaped by the U.S. experience in Afghanistan and Iraq, the recent literature on democracy promotion has been pessimistic about foreign impositions. And if success requires great power shocks, then most impositions are indeed doomed to fail. In a study of external impositions since the Napoleonic Wars, political scientist David Edelstein finds that foreign occupations have historically led to

democratization under only two conditions.<sup>14</sup> First, occupations require a sustained and serious commitment by the occupying power to build democratic institutions. A second condition is legitimacy: the occupiers must convince the local population that their overwhelming presence is justified. Since these prerequisites are difficult to fulfill, occupations rarely succeed.

Hegemonic shocks, however, temporarily make both serious commitments and legitimacy more likely. Post-shock interventions occur at a time when rising great powers are not only most committed to reshaping other regimes but also when they are most capable of doing so. Moreover, the political space created by a major domestic defeat provides a measure of legitimacy to the external occupying forces. Examining 24 cases of occupation since 1815, Edelstein finds that only seven were successful—and that six of these took place in the aftermath of World War II. (The occupation of France after the Napoleonic Wars—another case of a great power defeated in a hegemonic shock—is the other success story.)

In short, the material and ideational costs associated with external impositions change significantly in the wake of hegemonic shocks. Future research on foreign-imposed regime change might benefit from examining not only the domestic determinants of impositions but also their links to hegemonic orders, and to the international system more broadly.

### **Hegemonic Inducement**

A second way in which shocks produce regime waves is by enabling rising great powers to shape the institutional preferences of foreign actors through a variety of inducements. These can sometimes take the form of foreign aid, technical assistance, military exchanges, or diplomatic support. Some border on coercion—fomenting revolutions, supporting insurgent armies, or covertly sponsoring electoral candidates. Others unfold through more subtle channels, operating through international institutions created by the hegemons or even through cultural propaganda campaigns, like superpower sponsorship of literary magazines during the Cold War.

Whatever the specific method, hegemonic shocks temporarily magnify the importance of hegemonic inducements. By producing new disparities in power, they create windows of opportunity for rising powers to exogenously shift the capabilities and institutional preferences of many domestic actors and coalitions at once.

Fascist institutions of the 1930s, for example, metastasized not only through imitation by impressed observers but also through the inducements created by growing German power. The country's economic expansion drew states into its orbit and attracted converts through the expansion of trade ties, especially in regions like Latin America and south-central Europe lacking stable relations

with Western powers. Trade with Germany appealed to the vast peasant populations of the largely agricultural Latin American and south-central European nations, who had a ready market for their product at prices well above world levels. As German power grew, neutrality became an increasingly difficult proposition, creating opportunities for Germany to extend its political influence. A Romanian businessman warned that, “If we continue a *laissez faire* policy, Germany will achieve the conquest of Romania *à la mode hitlerienne*, that is to say, without a fight.”<sup>15</sup>

Conversely, in cases of sudden decline, shocks swiftly undermine the hegemon’s ability to wield influence in other states through aid, patronage networks, or international institutions. In doing so, they shift domestic groups’ institutional preferences away from the hegemon’s regime. The Soviet collapse, for example, led to a number of changes in the incentives of both African elites and external actors with ties to African regimes. The implosion of the communist lodestar decisively undercut the legitimacy of state-led development as a viable path for African states. At the same time, the elimination of Soviet patronage damaged the neopatrimonial elite networks that had already suffered from the economic crises and structural adjustment of the 1980s. As a result, the collapse of the USSR had the most pronounced initial effects on African countries closely aligned with the former superpower. For all but a few stubborn holdouts, the USSR’s disintegration represented the total exhaustion of communism as an alternative model of development.

At the same time, the Soviet collapse also transformed the nature of Western inducements dealing with foreign aid and security assistance. During the Cold War, geopolitical objectives reduced the credibility of Western conditionality, since threats to withhold aid might lead to a loss of pliant clients in the developing world. After the collapse of the Soviet system, powerful states such as the United States no longer had to prioritize anticommunism over democracy promotion, thereby increasing pressure on African autocrats who had used superpower rivalry to stave off reforms. At the same time, international financial institutions and aid donors became more focused on supporting accountable government, making outside assistance contingent on democratic reforms. In the early 1990s, the surprisingly successful democratization of Benin—a country with a tiny middle class, no history of democracy, and a fragmented elite—was not driven by domestic factors; rather, the country “could no longer resist demands for comprehensive reforms by the external agencies.”<sup>16</sup>

This domestic logic of aid conditionality flips the modernization argument on its head. While modernization theory suggests that democratization is most likely in countries that reach a certain development threshold, this was not the case in Africa of the 1990s. Instead, it was the poorest countries that were most likely to make the transition to democracy, precisely because their poverty increased their need for outside assistance and thus their sensitivity to external pressures for

reform. Some of the most successful cases of initial democratization were also among some of the continent's least developed like Malawi, Benin, or Mali.<sup>17</sup> Malawi's former president Joyce Banda, for example, was forced to give in to the demands of outside donors because the country's poverty made foreign aid critical.

The lessons of the 1990s demonstrated that aid conditionality is most effective under unipolarity, when great powers care least about attracting allies or preventing them from joining rival coalitions. A relative decline in U.S. power, by increasing the importance of geopolitical competition, is likely to again undermine the power of aid conditionality, making aid a less effective tool for economic and political reforms. Contrary to what many studies of foreign aid argue, aid's effectiveness may depend not on type, donor, or the qualities of the recipient but on the larger geopolitical structure in which aid incentives are embedded. Future research on foreign assistance might thus benefit from examining the effects of aid within the hegemonic context in which its disbursement takes place.

**The 1990s demonstrated that aid conditionality is most effective under unipolarity.**

Over the twentieth century, major domestic party realignments have often been shaped by the inducements and opportunities created by hegemonic shocks. The Marshall Plan, for instance, had a moderating effect on postwar German politics; the collapse of the fascist alternative weakened the radical right, while American influence limited the impact of the radical left. After 1947, American aid focused on preventing communist influence as part of a broader agenda of containment.<sup>18</sup>

At its core, the Marshall Plan was an unprecedented use of hegemonic inducement to secure the consolidation of regimes that copied the American model of capitalist democracy. The plan's biggest impact was not through the aid itself but through the conditions attached to its disbursement—the dismantling of market controls, the imposition of exchange rate stability, and the liberalization of trade. Economists Bradford De Long and Barry Eichengreen argue that the Marshall Plan was in fact the world's “most successful adjustment program.”<sup>19</sup> Beyond providing money for short-term reconstruction, it fundamentally changed the institutional environment of European politics by shifting elite preferences away from centralized planning and toward American-style market allocation within a mixed economy.

Likewise, Latin American party realignments of the 1930s and 1940s repeatedly reflected the shifting contours of hegemonic relations. The Soviet-American alliance against Hitler led to the creation of broad anti-Axis coalitions and a general moderation of radical politics. (Communist parties reached their peak of power in 1945–1946, and were not only legal but openly accepted as partners in

government.) The end of the war led to a brief swell of democratic reforms empowered by temporary U.S. support of democratization. But the defeat of a common enemy created a split in these fragile wartime alliances, and as the thrust of U.S. policy shifted from anti-fascism to anti-communism, the reassertion of power by right-wing elites excluded the left by force. The U.S. policy of aiding or tolerating undemocratic anti-communist forces culminated in the 1954 covert coup in Guatemala, by which point the democratic aspirations of the early postwar period had been all but forgotten. As in Eastern Europe after World War I, a brief but powerful wave of democratization proved unsustainable in the face of waning hegemonic support and unfavorable domestic conditions.

Comparative studies of democratization often focus on the evolving nature of class cleavages and domestic coalitions. But in the wake of hegemonic shocks, these coalitions are themselves shaped by larger geopolitical forces, often through the actions of great powers seeking to bolster or undermine particular domestic groups in order to further their influence. In these periods, changing hegemonic inducements are refracted at the domestic level through shifting group rivalries and party realignments.

### **Hegemonic Emulation**

A third way through which hegemonic shocks create democratic waves is by encouraging states to adopt the domestic institutions of the rising great power. Institutional emulation is the process whereby a state deliberately and voluntarily imitates particular domestic institutions of successful and powerful states. Though great powers frequently attempt to persuade others of their virtues, shocks are unique in dramatically demonstrating by example which regimes perform better under duress, and thus credibly reveal hidden information about relative regime efficiency to foreign audiences. In doing so, they legitimize certain regimes and make them more attractive to would-be emulators.

Abrupt great-power transitions therefore encourage imitation by both highlighting successful regime models and offering a way to gain favor with a rising hegemon. “If the Danubian States begin now to put on the Nazi garb,” wrote the British Home Secretary in 1938, “it will be because imitation is the sincerest form of flattery and because they want to ingratiate themselves in time with their future master.”<sup>20</sup> By contrast, great powers whose fortunes suddenly decline because of a hegemonic shock will find their regimes discredited and abandoned by former followers and sympathizers. As a Zambian communist put it shortly after the Soviet collapse, if the “originators of Socialism” have rejected their own tenets, then “who were African imitators” to take up the cause?<sup>21</sup>

Smaller states may imitate rising great powers for both self-interested and ideological reasons. Hegemonic shocks make both reasons more likely. They not only

credibly demonstrate the real-world effectiveness of competing regimes, but also legitimize the regimes of victorious great powers by virtue of their dramatic success, inspiring admiration and mimicry. As a Brazilian newspaper declared in 1945: “The moral and political atmosphere of the world has been decisively transformed” by “the triumph of the democratic systems.”<sup>22</sup>

Yet emulation, as the diffusion of best practices, is an ongoing historical process. Why should hegemonic shocks make such emulation more likely? They do so by removing uncertainty about the relative effectiveness of competing regime types. Despite the potential benefits of reforms, leaders face considerable uncertainty when choosing to rebuild their domestic institutions. Shocks encourage such reforms by dramatically demonstrating which regime types perform better under duress.

In bargaining theory, war is said to reveal private information about actors' capability and resolve—information that cannot be credibly verified through *ex ante* cheap talk. Similarly, hegemonic shocks reveal information about the relative strength of competing regime types. Hidden vulnerabilities become obvious, failed institutional models lose their legitimacy, and the giant's clay feet are revealed for all to see. In this way, hegemonic shocks intensify opportunities for emulation by creating political space for domestic reforms. As Ikenberry and Kupchan argue, socialization becomes particularly likely after “periods marked by international turmoil,” when domestic elites seek alternatives to discarded and discredited ideas.<sup>23</sup> Great powers often attempt to attract followers by proclaiming the superiority of their regime, but in the absence of crises, these claims are likely to be taken as cheap talk. Both the demand and the supply of emulation increases in the wake of shocks.

**Hegemonic shocks intensify opportunities for emulation by creating political space for domestic reforms.**

During the Cold War, for example, both sides extolled the virtues of their regimes to encourage converts from uncommitted states. But the true condition of Soviet domestic institutions, and the country's ability to uphold a communist system outside its borders, did not become apparent to world audiences (and most scholars) until after the system's dramatic collapse. Similarly, earlier in the century, both world wars offered a large-scale test of war-fighting effectiveness between democratic and nondemocratic states. In both cases, democratic victories repudiated the often-echoed assertion that democratic regimes would prove inferior to centralized ones on the field of battle. “If the Axis had prevailed in World War II,” argues political scientist Paul Starr, “it would have confirmed the ancient belief in the weakness and incompetence of democracies.”<sup>24</sup>

Similarly, the Soviet Union inspired followers after World War II because its victory over Nazi Germany, “suggested that the Soviet system had considerable real-world vigor.”<sup>25</sup> As Raymond Aron observed in 1944, its performance in the war “has refuted some classical arguments on the inevitable decadence inherent in a bureaucratic economy.”<sup>26</sup> The victory seemed especially impressive because the Red Army was widely underestimated before the start of the war. The general staffs of both Britain and the United States expected a swift defeat, a view reinforced by Russia’s poor performance in the 1939 winter war against Finland. Instead, the outcome of the war allowed the USSR to credibly present itself as an enticing alternative to capitalist democracy in a way that no Soviet exhortations could have done before the war. The Soviet victory over fascism lent communism a moral authority that transformed the regime into “a viable form of political modernity, as significant a threat to democracy as fascism had ever been.”<sup>27</sup>

The outcomes of shocks thus provide compelling and credible demonstrations of regime quality to self-interested outside observers. In most cases, therefore, institutional emulation in the wake of shocks involves the pursuit of both efficiency and prestige. The overall effect increased rational learning and normative socialization, contributing to the subsequent regime wave.

While democracy has been the default model of emulation since the Soviet collapse, states have admired and mimicked any regime that emerges triumphant in a great-power struggle. Until 1939, the interwar wave of fascism was driven not by conquest but by the increasing appeal of fascist institutions in the wake of the Great Depression. This appeal, in turn, stemmed from the elimination of unemployment and economic growth in Nazi Germany, particularly at a time when the major democratic states were plagued by crisis and corruption. “The 1930s and 1940s were the period of fascist success,” writes the historian Hugh Seton-Watson. “Inevitably fascist policies and institutions were aped by others.”<sup>28</sup>

The Great Depression was the only hegemonic shock of the twentieth century in which democracy did not emerge as one of the winners. Instead, it was widely perceived to be both its culprit and its victim. Amidst the decay of the period, Nazi Germany emerged as an alternative model for elites and masses alike. It had loudly rejected the conventional politics and economics of democratic states, and achieved great success in doing so. In the public imagination, Hitler’s headstrong pursuit of these policies transformed him from a flouncing martinet into the prophet of a new age.

In interwar democracies, the diffusion of fascist institutions manifested itself not in the often-small vote shares of fascist movements but in the absorption of their ideas by mainstream political parties. In these countries, Germany’s ability to achieve full employment and social cohesion attracted a great deal of interest and admiration. As the sociologist Karl Mannheim wrote in 1940: “Competition

with [the totalitarian] states compels the democracies to make use of some, at least, of their methods."<sup>29</sup> And Aldous Huxley lamented that calls for resistance to fascism were accelerating democracies' own transformation "into the likeness of those Fascist states they so much detest."<sup>30</sup>

The ideas promulgated by fascists were therefore incorporated even into states whose citizens would now vehemently reject the fascist label. Fascism showed a way to restrain capitalism and bend it to the national will, rather than opting to destroy it entirely in the Soviet fashion. The shock of the Great Depression, and the authoritarian solutions offered in response, helped to permanently refashion postwar capitalist democracy in a more statist mold. Despite the myth of liberal capitalism's triumph after 1945—a myth that gained potency with the start of the Cold War—postwar democratic institutions had been fundamentally reshaped by their conflict with a rising autocratic rival, in the process re-embedding capitalism within the larger structure of democratic society.

## The Origins of Democratic Retrenchment

All three democratic waves of the twentieth century experienced failures shortly after their peak: a catastrophic reversal after 1918, a severe one after 1945, and a partial but persistent one after 1991. Explaining democratic waves therefore requires taking into account the inevitable counterwave—the tendency for democratic waves to collapse, subside, and roll back. As I argue in this section, the failures of consolidation that follow democratic waves also stem from the consequences of hegemonic shocks.<sup>31</sup>

Hegemonic shocks in which democracy emerges victorious—as in 1919, 1945, and 1989—create extremely strong yet temporary incentives for democratization. In the short term, states experience immense external pressures for reforms, both from the democratic hegemon and from their own populations. These intense pressures help spark the initial wave by forging powerful but unwieldy pro-democracy coalitions, overturning unsuspecting incumbents before they have a chance to react, and spreading hopes of regime change to opposition movements in countries where reforms are usually blocked.

In this way, hegemonic shocks temporarily override the domestic constraints that hinder democratic transitions in times of "normal" politics. As a result, some states undergo democratic transitions despite the absence of internal conditions generally needed to sustain and consolidate

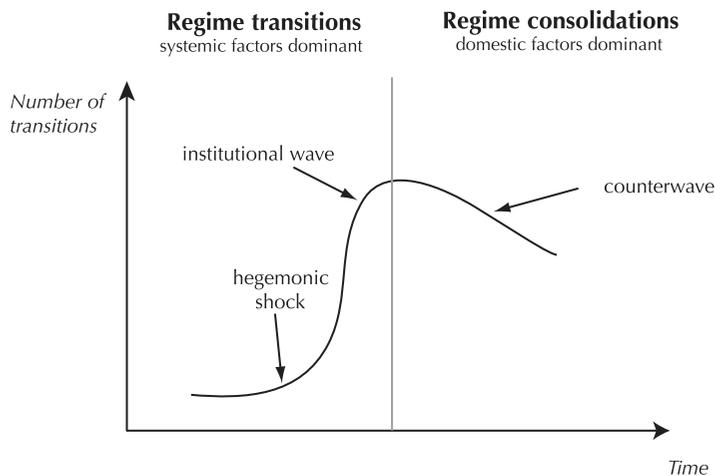
**T**he failures of democratic consolidation also stem from the consequences of hegemonic shocks.

democracy: a well-established middle class, economic stability, ethnic cooperation, or past experience with democratic rule. Domestic factors that normally prevent democratization—institutional inertia, societal cleavages, or elite fears of asset redistribution—all fade into the background, overwhelmed by the structural pressures of the shock, only to resurface when the shock passes.

With time, the international pressures that initially drove the wave either disappear or transform into the reassertion of traditional geopolitical interests. In the absence of continued external support for reforms, extraordinary reform coalitions that push for democratic reforms in a moment of crisis dissolve as their disparate interests come to the fore. Failures of consolidation are therefore inherent in the aftermath of hegemonic shocks.

In their initial intensity, hegemonic shocks create episodes of “democratic overstretch”—the regime version of a stock market bubble, in which systemic pressures create an artificially inflated number of transitions. (See Figure 2) The strong but vaporous pressures that allow the wave to spread also ensure that at least some of these transitions take place in countries that lack domestic conditions needed to sustain and consolidate democracy. Democratization that takes place during a wave is therefore systematically more fragile than democratization driven primarily by domestic forces. After the Soviet collapse, for example, the initially strong systemic pressures for democracy weakened over time, hopeful reformers began liberalization in countries with unfavorable domestic conditions, the pro-reform coalitions that formed in the immediate wake of the shock began to fall apart, and sitting incumbents quickly learned to subvert and co-opt democratic institutions, adopting the trappings of democracy without loosening their hold on power.

**Figure 2. Hegemonic Shocks as Drivers of Democratic “Overstretch”**



Hegemonic shocks thus create a sort of Icarus Effect, in which systemic pressures encourage democratic overstretch and ultimately failure. At the start of a wave, these pressures override domestic constraints that prevent democratization, forge powerful pro-reform coalitions, and bolster the optimism of opposition groups. But as the shock passes and systemic pressures fade, incumbent elites learn to adapt (perhaps by reforming just enough to pacify external donors), fragile pro-reform coalitions fall apart as parochial group interests reassert themselves, and optimistic reformers spearhead movements that have little chance of democratic consolidation. The result is failure, rollback, and retrenchment.

### **Democracy's Vulnerable Future**

Over the course of the twentieth century, democracy spread from a few isolated outposts to most corners of the world. But it would be a convenient mistake to accept the victory of democracy as a historical morality play, the foreordained triumph of good over evil. The twentieth century was one of nearly constant struggle—a protracted conflict between democratic, fascist, and communist visions of the modern state. The outcomes of hegemonic shocks became the critical junctures of this struggle, creating waves of reforms that reshaped both domestic institutions and prevailing conceptions of modernity.

At the start of the twentieth century, intensifying links between transnational ideologies and political regimes brought a fundamental change to the sources of regime legitimacy. Major shifts in the international system, rather than the internal attributes of states, acquired a new significance in shaping the spread and appeal of transterritorial ideologies of governance. World War I set the stage by marking the demise of vast monarchical empires. Around the world, the war's outcome signaled the end of monarchy as a model for development and, for a brief moment, elevated democracy to the status of a political panacea.

But the disappointing and tentative aftermath of the war led to a search for new alternatives. The Great War not only created an opportunity for a communist takeover in one of the defeated empires but also planted the seed for a fascist revolt against the shortcomings of liberalism. Democracy was the war's short-lived offspring, but communism and fascism were its enduring progeny. These challengers—the two “great totalitarian temptations” of the century, in the words of the scholar Fritz Stern—offered tempting alternative paths to modernity that at various points seemed poised to overtake an ailing, stagnant, and corrupt democracy.<sup>32</sup>

The legacies of hegemonic shocks demonstrate that democratic optimism cannot rely on the moral appeal of democracy alone to win the day. The Cold War historian Robert Conquest, for example, dismissed fascism and communism

as “mental aberrations.”<sup>33</sup> But to do so ignores the status they had achieved as ideological and material examples of success. Their attractions were real, and this means rescuing them from what the English historian E. P. Thompson, referring to the English working class, calls “the enormous condescension of posterity.”<sup>34</sup> Their appeal, moreover, was deeply linked to the changing structure of hegemonic power.

Far from being buried in the ideological struggles of the past century, the lessons of hegemonic shocks continue to resonate today. At the end of the twentieth

**Does modern state capitalism (China) represent the newest credible rival to the liberal democratic model?**

century, democracy appeared to have decisively defeated its challengers. Yet since 1995, and despite occasional outbursts, the level of democracy in the world appears to have leveled off, with potential signs of decline. A key question today is whether modern state capitalism, as embodied by China, now represents the newest credible rival to the liberal democratic model—as monarchy, fascism, and communism all did in the past. Marked by a capitalist system of production undergirded by state ownership and guidance, modern state

capitalism seems to offer a sophisticated blend of efficient centralization and capitalist flexibility. According to one Chinese scholar, his country’s success will “challenge the West’s conventional wisdom about political development and the inevitable march toward electoral democracy.”<sup>35</sup> The twentieth century suggests that the outcome of this prediction depends largely on the changing structure of hegemonic power.

The coupling of capitalism with democracy was largely a byproduct of Cold War ideology and the modernization theory that accompanied it. The events of the past decade, however, serve as a reminder that historically the two need not go together. Both Britain and the United States, two of the earliest capitalist states, did not extend the franchise to the majority of the population until the twentieth century. Capitalism appears ready to uphold and perpetuate whatever system best suits its purposes, and there are good reasons to suspect that both democracy and autocracy can fulfill that role, albeit with different trade-offs.

One clear lesson of past hegemonic shocks is that a sudden decline of American hegemony poses a far greater challenge to global democracy than a gradual Chinese ascent. So far, China has been the first nonproselytizing great power since the Dutch Golden Age. Even Nazi Germany cultivated philofascist organizations and supported fellow travelers in South America, the Middle East, and south-central Europe. For now, China has avoided preaching the virtues of its institutional model and eschewed terms like the “Beijing Consensus.” But it still

remains to be seen if this attitude is a permanent feature of China's historical insularity or a temporary delay stemming from a desire to secure its material position before all else.

Democracy's superiority appears self-evident to people who have been steeped in its ideological virtues and material successes. But during the past century, democracy's moral appeal has rarely been enough for its adoption. While the metaphor of waves suggests a powerful natural force, democracy's success has been predicated upon the ability of powerful democratic states to weather military and economic crises, and to emerge triumphant in their wake. Over the twentieth century, the spread of democratic institutions has relied on a uniquely favorable structure of global hegemonic power. Yet the advance of liberal democracy has been forged by the outcomes of grim and uncertain hegemonic struggles. The fragility of democratic success is the enduring lesson of hegemonic shocks.

## Notes

1. Alexander Cadogan, "Minutes from January 3" (1938), Reprinted in Bela Vago, *The Shadow of the Swastika: The Rise of Fascism and Anti-Semitism in the Danube Basin, 1936–1939* (Farnborough, UK: Saxon House for the Institute of Jewish Affairs, 1975), 251.
2. The global average is measured using the Polity IV index (scaled 0-20; see Monty G. Marshall and Keith Jaggers, "Polity IV Project: Political Regime Characteristics and Transitions, 1800–2006; Dataset Users' Manual" (Vienna, VA: Center for Systemic Peace, 2007.) A similar pattern shows up using other measures of democracy, including dichotomous indices like Carles Boix, Michael Miller, and Sebastian Rosato, "A Complete Data Set of Political Regimes, 1800–2007," *Comparative Political Studies* 46, no. 12 (2013): 1523–1554.
3. Namely, I define a hegemonic shock as a sudden shift in the distribution of relative power among the leading states in the international system. On the related concept of "hegemonic war," see Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981).
4. Quoted in Kemal H. Karpat, *Turkey's Politics: The Transition to a Multi-Party System* (Princeton, NJ: Princeton University Press, 1959), 140.
5. William L. Clayton, Undersecretary of State for Economic Affairs. Quoted in Sidney Lens, *The Forging of the American Empire* (New York: Thomas Y. Crowell, 1971), 352.
6. John Dower, *Ways of Forgetting, Ways of Remembering: Japan in the Modern World* (New York: New Press, 2012), 258.
7. G. John Ikenberry and Charles A. Kupchan, "Socialization and Hegemonic Power," *International Organization* 44, no. 3 (1990): 306.
8. Milan Kundera, *The Book of Laughter and Forgetting* (New York: Penguin, 1982), 8.
9. Quoted in Peter Kenez, *Hungary from the Nazis to the Soviets: The Establishment of the Communist Regime in Hungary, 1944–1948* (Cambridge: Cambridge University Press, 2006), 107.
10. Years counted as part of hegemonic shocks after the two World Wars are the last year of the war and the subsequent two years: 1918–1920 and 1944–1946.

11. The two exceptions are Japan's intervention in Russia (1918) and the USSR in Austria (1945).
12. Korea in 1950 and Somalia in 1993 being two possible exceptions.
13. See, e.g., Alexander B. Downes and Jonathan Monten. "Forced to Be Free? Why Foreign-Imposed Regime Change Rarely Leads to Democratization," *International Security* 37, no. 4 (2013): 90–131. They point to economic development, social homogeneity, and past experience with representative government as crucial for stable occupation-led democratization.
14. David M. Edelstein, "Occupational Hazards: Why Military Occupations Succeed or Fail," *International Security* 29, no. 1 (2004): 49–91.
15. Quoted in William A. Hoisington Jr., "The Struggle for Economic Influence in Southeastern Europe: The French Failure in Romania, 1940," *Journal of Modern History* 43, no. 3 (1971): 480.
16. Richard Joseph, "Democratization in Africa after 1989: Comparative and Theoretical Perspectives," *Comparative Politics* 29, no. 3 (1997): 369.
17. E.g. Jean-Germain Gros, "Introduction: Understanding Democratization," in *Democratization in Late Twentieth-Century Africa: Coping with Uncertainty*, edited by Jean-Germain Gros (Westport, CT: Greenwood, 1998), 1–20.
18. David Reynolds, "America's Europe, Europe's America: Image, Influence, and Interaction, 1933–1958." *Diplomatic History* 20, no. 4 (1996): 660–661.
19. J. Bradford De Long and Barry Eichengreen. "The Marshall Plan: History's Most Successful Structural Adjustment Program," *NBER Working Paper* 3899 (1991): <http://www.nber.org/papers/w3899>.
20. R. Hoare, "Annual Report to Anthony Eden, February 12," 1937. Reprinted in Vago, *The Shadow of the Swastika: The Rise of Fascism and Anti-Semitism in the Danube Basin*.
21. Quoted in Samuel Decalo, "The Process, Prospects, and Constraints of Democratization in Africa," *African Affairs* 91, no. 362 (1992): 18.
22. Quoted in Leslie Bethell, "From the Second World War to the Cold War: 1944–1954," in *Exporting Democracy: The United States and Latin America: Themes and Issues*, edited by Abraham F. Lowenthal, (Baltimore, MD: Johns Hopkins University Press, 1991), 35.
23. Ikenberry and Kupchan, 283.
24. Paul Starr, "Dodging a Bullet: Democracy's Gains in Modern War," in Elizabeth Kier and Ronald Krebs, eds.. *In War's Wake: International Conflict and the Fate of Liberal Democracy* (Cambridge: Cambridge University Press, 2010), 55.
25. Gale Stokes, *The Walls Came Tumbling Down: The Collapse of Communism in Eastern Europe* (Oxford: Oxford University Press, 1993), 8.
26. Raymond Aron, "The Secular Religions" (1944) in *The Dawn of Universal History: Selected Essays from a Witness to the Twentieth Century*, translated by Barbara Bray, (New York: Basic Books, 2002), 194.
27. Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton, NJ: Princeton University Press, 1994), 186.
28. Hugh Seton-Watson, "The Age of Fascism and Its Legacy," in George Mosse, ed., *International Fascism: New Thoughts and Approaches* (New York: Sage, 1979), 365.
29. Karl Mannheim, *Man and Society in an Age of Reconstruction* (London: Kegan Paul, Trench, Trubner, 1940), 338.
30. Aldous Huxley, *Ends and Means: An Enquiry into the Nature of Ideals and into the Methods Employed for Their Realization* (London: Chatto and Windus, 1937), 66.

31. The “overstretch” argument only applies to democratic waves, since their nondemocratic counterparts were upheld by the continued threat or use of force.
32. Fritz Stern, “The New Democracies in Crisis in Interwar Europe” In *Democracy's Victory and Crisis*, ed. Axel Hadenius (Cambridge: Cambridge University Press, 1997), 21.
33. Robert Conquest, *Reflections on a Ravaged Century* (New York: W. W. Norton, 1999), 3.
34. E.P. Thompson, *The Making of the English Working Class* (London: Penguin, 1980), 12.
35. Eric X. Li, “The Life of the Party: The Post-Democratic Future Begins in China,” *Foreign Affairs* 92, no. 1 (2013): 35.