

in the international system. Thus, the dichotomous outcome in power transition theory is between the status quo international order and an upended international order. The notions of cooperation between the rising power and hegemon, the idea that rising powers need not be dissatisfied with every aspect of the status quo, and that the hegemon could co-opt rising powers are missing from this theoretical picture. In Kennedy's telling, the hegemon can be affected by political forces that drive it to be more open to cooperation with the rising power(s) than the power transition theorists would have us believe. This would also suggest that there are important aspects of the current international order that can be attractive or made attractive for rising powers. As Kennedy points out, global innovation can support the position of the hegemon and enable it to shore up its status and sustain its primacy (p. 51), which, in turn, increases its importance for rising powers, states that have been defined as those that are "on the path to becoming a great power" (Manjari Chatterjee Miller, "The Role of Beliefs in Identifying Rising Powers," *Chinese Journal of International Politics*, 9 (2), 2016). And in fact, Kennedy writes, "Both China and India have come to see global innovation as an opportunity" (p. 28)—presumably not only because it is conducive to economic growth but also because it is essential to eventually becoming a great power. Therefore, even though each rising power's approach to global innovation is distinct—China's approach is more deliberate, activist, and strategic, whereas India's is more ad hoc, relying heavily on its expatriate community of highly educated workers—both have developed cooperative and profitable relationships with the United States.

That being said, it was not entirely clear to me how Kennedy would characterize the inevitable change in the relationship as the United States' hegemony declines. Particularly, it is not clear what role global innovation plays in power *transition* as opposed to power *consolidation*. He does not address the situation in which the risks to the hegemon of cooperating with the rising power outweigh the gains and when control of global innovation serves the interests of the rising power more than those of the hegemon. Kennedy roots global innovation and U.S. policies strongly in the American HTC. This means that he gives much less agency to factors within the United States' partners, particularly China and India. Yet, he reiterates that global innovation is key to the rise of challengers, and both challengers therefore buy into partnering with the United States on global innovation. Thus, when do the loci of agency change? In other words, will the U.S. HTC inevitably begin to matter less than domestic imperatives in China and India? And if so, at what point does U.S. policy cease to reflect the impact of HTCs? In Kennedy's theory the success or failure of HTCs is attributable entirely to the nature of the resistance from other organized domestic groups. Yet, one could plausibly

argue that HTCs can be affected by factors exogenous to the hegemon and by the changing interests of the states with which the hegemon cooperates on global innovation.

Kennedy's book is both timely and unique. The partnerships between the United States, China, and India have been rapidly deepening in the realm of technology and innovation and have also led to deep domestic debates within the United States. Yet any exploration of the topic has remained confined to either media and policy articles or niche volumes. By developing a general theory of what drives such cooperative partnerships underpinned by fluctuating U.S. policies of global innovation, Kennedy helps us understand both U.S. policy and its partner relationships in a new light.

Democracies in Peril: Taxation and Redistribution in Globalizing Economies. By Ida Bastiaens and Nita Rudra. New

York: Cambridge University Press, 2018. 326p. \$99.99 cloth, \$27.99 paper.

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— Sarah Berens, *University of Cologne*

The merits of globalization have not spread equally across countries. In the wake of trade liberalization, developing countries are facing what the authors of *Democracies in Peril* identify as a revenue crisis, one that goes as far as threatening the very survival of democracy itself. Crucially, however, Ida Bastiaens and Nita Rudra argue that "globalization is *not* the crux of the problem" (p. 3, emphasis in the original). What makes the crucial difference, in their view, is the countries' "political response" to trade liberalization.

To liberalize an economy, taxes and tariffs on trade are either heavily reduced or completely abandoned. Trade liberalization in the 1980s and 1990s, therefore, created a large hole in the budget of developing economies, which previously relied heavily on the "easy to collect" taxes on trade, and most often came after a period of import-substituting industrialization. These already revenue-strained economies thus faced the challenge of reforming their tax systems to fill the void. The response had to be an increase in domestic tax revenue, which can only be achieved through rigorous tax reform. Relocating the tax burden is a highly contentious task, and countries differed in their capacity to solve the challenge.

In this exceptional, theoretically rich, and empirically dense work, Bastiaens and Rudra identify an empirical puzzle: it is democracies that seem to struggle most to reap the benefits from globalization. In addressing the consequences of globalization, this book is particularly pathbreaking because of its focus on the too often neglected revenue side of countries' economies. Whereas social policy and welfare state researchers emphasize the problematic consequences of trade liberalization for poverty reduction and the abatement of income inequality,

Bastiaens and Rudra make a major contribution by taking a step back and drawing our attention to the inherent problem of revenue generation through taxes other than trade-related ones, which severely challenge democratic governments in finding support coalitions in the post-liberalization era.

Analyzing macrolevel data on tax revenue and trade openness, the authors illustrate that authoritarian countries were better able than democracies to substitute the lack of trade taxes with domestic tax revenue. After introducing us to the puzzle in Chapter 1, Bastiaens and Rudra carve out their theoretical argument, which explains why democracies underperform in the generation of public revenue postliberalization. Building on selectorate theory and reasoning from special interest group research, the political-economy argument proposes that tax reforms in democracies are more heavily challenged because of “lower government confidence and quasi-voluntary compliance” (p. 27) and democracies’ limited means of coercion.

Democracies face a great dilemma: they need to reform the tax system to generate more revenue, but first, this means getting economic elites (firms) on board with the fiscal contract. However, these same elites profit from declining trade taxes and have a vested interest in opposing corporate income and value-added taxation. Second, the poor lack trust in the government because they do not receive sufficient public goods, which democracies are constrained to provide precisely due to the revenue shortage. With both groups opposing tax reforms, democracies have their backs up against the wall. Authoritarian governments, in contrast, can easily resort to coercive tools if citizens do not pay their tax duties, and given their resources for public good provision, they even receive confidence from the population. Liberal authoritarian regimes, more so than conservative authoritarian regimes, should achieve a beneficial balance of confidence and the means to coerce, thereby arriving at better outcomes in the expansion of domestic tax revenues.

To test this theoretical argument, Bastiaens and Rudra employ a diverse and impressive set of techniques and draw conclusions from triangulation: they start with macrolevel data on tax revenue, regime type, and trade openness and use sophisticated empirical models, always accompanied by rigorous robustness tests and excellent illustrations of the empirical findings with predicted probability plots. Subsequently, the authors meticulously study the microlevel mechanism of deficient trust among voters (Chapter 4) and firms (Chapter 5) with survey data. Conducting an original survey with Amazon Mechanical Turk (MTurk) to examine how far the willingness to pay taxes, satisfaction with public goods provision, and governmental trust differ by regime type, they reveal that the willingness to cheat on taxes is much

higher in democracies in which citizens are also very dissatisfied with public goods provision compared to individuals in autocracies. Although Bastiaens and Rudra are always careful in the interpretation of the MTurk data and back it up with data from the World Values Survey, one could question how a sample of 300 respondents across 50 developing countries could be anything but suggestive. Still, using such tools in the developing-country context is an important step forward and should encourage scholars to see the advantages of using online surveys in less easily accessible contexts.

Before turning to examine the aftermath of trade liberalization and its consequences for tax reforms with exemplary and thorough case studies of India (democracy), China (conservative autocracy), and Jordan and Tunisia (liberal autocracies), the authors laudably do not hesitate to ask the “so what” question in Chapter 6. The statistical findings are straightforward: revenue shortages exert a negative impact on public goods provision and welfare outcomes. The result thus underlines the sobering insight of this book: democracies are caught in a “vicious cycle” of low confidence and low revenue (p. 114) and, hence, are in severe “peril.”

Throughout the book, regime type is the key explanatory variable, and democracy turns out to be a problematic regime type for addressing the revenue crisis that follows from globalization. But even though Bastiaens and Rudra provide a convincing microlevel framework based on elite interests, and emphasize this group’s exceptional influence in developing democracies, one could argue that it is not democracy as such that causes revenue problems, but rather a *malfunctioning* one. Indeed, the poor do not trust government institutions to do good with their tax money, but it is not just because of the suspicion that politicians fill their own pockets, but rather that the government unabashedly pursues special interest politics, providing public goods to the rich and granting tax exemptions to business elites. Because of dysfunctional democratic institutions (e.g., clientelism looms large), the poor do not have much of a voice. So, instead of democracy, the problem might be unequal representation.

Young democracies are somewhere between a rock and a hard place: they have to provide public goods to convince citizens that taxation is a good investment, but they are underfinanced because of a lack of tax revenue and therefore cannot provide more or better public goods. Of course, in many developing countries social spending follows a regressive pattern, and resolving this with a left-wing policy toward a progressive distribution could be done cost efficiently. Yet business elites likely oppose such reforms, which is why the underrepresentation of the poor becomes key. The rich insights provided in the case studies present important ground for further research that will scrutinize the formation of voter

coalitions and ties between business elites and the state that might form a sustainable fiscal contract.

Ultimately Bastiaens and Rudra's thoughtful contribution allows us to see the consequences of globalization from a different perspective: the revenue side. It is therefore a must read for scholars and students working on questions at the core of both political economy research and democratic theory.

Dark Pasts: Changing the State's Story in Turkey and Japan. By Jennifer M. Dixon. Ithaca, NY: Cornell University Press, 2018. 276p. \$55.00 cloth.
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— Thomas U. Berger, *Boston University*

Jennifer Dixon has written a closely argued, well-researched, and extremely informative study of the politics of history in Japan and Turkey. Guiding her inquiry are three questions that are central to the growing literature on this topic. First, why do some countries have such difficulty addressing the darker chapters in their past? Specifically, why did Japan and Turkey, despite the enormously brutal and well-documented atrocities that they had committed in the past—the vastly destructive invasion and occupation of much of East Asia and the Armenian genocide, respectively—evade admitting any responsibility for decades? Second, why do some countries choose to adopt an official narrative that is more open to recognizing and making amends for their past transgressions? With respect to Japan and Turkey, why did both countries over time become more open to recognizing and offering at least limited apologies for the past? Third and finally, what accounts for the variation between cases? Why did Japan arrive at a penitent official narrative at an earlier point in time than Turkey did, and why was it more willing than Turkey ever was to offer a limited but nonetheless quite far-reaching apology?

To address these questions Dixon offers an analytical framework that incorporates two sets of independent variables, international pressures and domestic politics, to explain her dependent variable: the politics of history. Among the international variables she lists such factors as pressures from victim states and the role of third-party states (e.g., the United States), international organizations, and transnational nongovernmental organizations. The domestic set of variables is similarly broad and varied, including material concerns (especially the costs of an apology), legitimacy and national identity, electoral political calculations, and, finally, domestic societal actors. This is a familiar cast of suspects in the literature on the politics of history; indeed, it is so broad that it opens her up to the charge of including so much that almost nothing is excluded. Nonetheless, Dixon uses her framework effectively to trace the evolution of the

dependent variable, the politics of history, in her two case studies.

Dixon makes innovative use of her dependent variable, offering an interesting scale of official postures regarding the past ranging from outright denial of past atrocities, through grudging acknowledgment, to offering apologies, compensation, and dutiful commemoration. Importantly, Dixon recognizes that, at any given period of time, a range of official responses may exist in contradiction with one another. Political leaders may offer more or less sincere apologies for past transgressions even while in other areas—for instance, the kinds of textbooks approved for use in public schools—a more revisionist or less penitent narrative is adopted. This allows Dixon to depict the official narrative graphically in a chart that shows the range of responses at any given period and how it fluctuates over time. This is useful both for tracing the evolution over time of the official narrative in a specific case, here Japan and Turkey, and for comparing them with one another. Although of course there is considerable room for interpretation (or coding, if one is inclined to use that vocabulary), at least as a rough gauge of the degree of penitence of the official narrative, this is a welcome innovation that could easily be adopted for use with other cases.

The central argument that Dixon makes is that the level of international pressure on a country determines the probability of it becoming more apologetic. However, it is domestic political considerations that determine how it responds. She applies this insight to the Japanese and Turkish cases. Dixon argues that, for many years after the Armenian genocide and Japan's brutal invasion and occupation of China, neither country evinced much remorse because the international environment did not create much pressure for them to do so. Only much later, as international pressure mounted beginning in the 1980s, did the two countries' governments begin to adopt a more penitent official narrative.

Dixon goes on to contend that the reason that Japan was willing to go much further than Turkey in the direction of apologizing and atoning for the past is because the pressures that it faced were much stronger—China was able to exert far more pressure than Armenia—and because the potential costs of acknowledging past wrongdoing were far greater in the Turkish case than the Japanese. The territorial disputes between China and Japan are over relatively minor, uninhabited islands, whereas there is a potential for Armenia to lay claims to vast swatches of territory in Eastern Anatolia. In addition, she adds, the level of domestic contestation over historical issues was much greater and began earlier in Japan than in Turkey, aided by the fact that Japan has had a democratic system since the 1940s, whereas Turkey has had an authoritarian government for much of the period since 1918.