Non-tyrannical Autocracies

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Abstract

Why do some dictatorships establish institutions typically associated with democracy, such as elections and legislatures? We propose a new theoretical model of non-tyrannical or electoral autocracies. Electoral autocracies are polities governed by an unelected executive that shares power with an elected legislature. We explain why legislatures and elections enhance the credibility and durability of power-sharing in autocracies. Our theory generates a set of new predictions about the empirical relationship between political institutions, economic development, and regime survival in dictatorships.

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1 Introduction

Tyranny, that is the unconstrained rule of a polity by one person, has long been treated as the standard, almost stereotypical type of dictatorship. The classical literature on dictatorships mainly investigated personal autocracies and the mechanisms employed by dictators to govern and secure the acquiescence of his subjects (Xenophon/Strauss 1961; Machiavelli 1513/1985). The postwar literature on dictatorships focused on the phenomenon of totalitarianism and on the means through which the totalitarian leader and his party exercised absolute control over society (Arendt 1973; Friedrich and Brzezinski 1965; Linz 1975, 2000; Neumann 1957).[1] The formal literature that has replaced that descriptive body of work did not abandon the basic point of departure of the traditional research on autocracies. Dictatorships continue to be modeled as political regimes in which a single tyrant governs alone through the use of credible threats (and sometimes the distribution of selective benefits), exploits the inability of his subjects to coordinate against him, and is not subject to any external constraint or influence (Haber 2007; Kuran 1991; Tullock 1987; Wintrobe 1998).

Yet, for all their historical and theoretical importance, single-ruler autocracies constitute a minority of the universe of authoritarian regimes. Since World War II, less than a fourth of all authoritarian regimes (and hence only about a tenth of all current political regimes) have been governed by a single ruler. Furthermore, after peaking at 43 percent in the mid-1970s, the proportion of single-ruler autocracies among all authoritarian regimes has declined to less than 20 percent in 1999. In contrast, roughly three-fourths of all authoritarian regimes in the last sixty years have had an elected legislature, and, with it, an institutionalized body that may serve to balance against the dictator as well as to sustain laws and regularized patterns of political interaction which may restrian, in turn, the tyrannical tendencies of any

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[1]Linz (1975, 2000) is a partial exception in that he also examines non-totalitarian regimes.

single ruler.

However, theoretical research on non-tyrannical dictatorships has been scant. An important exception is Linz's analysis of authoritarian regimes (Linz 1975, 2000), but his work remains mostly typological in nature. More recently, several scholars have examined authoritarian regimes in which at least one political institution, the legislature, is chosen through some kind of electoral process (Brownlee 2004; Gandhi and Przeworski 2006; Levitsky and Way 2003; Lust-Okar 2006; Magaloni 2006). This body of work is already making important contributions to the study of dictatorships. Yet this literature remains incomplete in two important ways. First, most of it focuses narrowly on the analysis of particular cases. Second, the more theoretical work pays too much attention to the electoral game between voters and autocratic elites and fails to model the structure, incentives and behavior of the authoritarian elite itself. The result is a fragmented explanation of why many authoritarian regimes have institutions endowed with at least some independent powers and therefore members who can autonomously coordinate their actions vis-à-vis the dictator.

In this paper, we develop a more complete theory of non-tyrannical autocracies. We define "non-tyrannical autocracies" as authoritarian regimes that present two characteristics. First, there is a dictator, that is, an unelected executive with legislative powers. Second, there is a legislature that is selected independently from the dictator.[2] Within non-tyrannical autocracies, we further define the more specific type of "electoral autocracies", in which the legislature is elected through general elections, even though these may not be conducted according to free and fair procedures.

Let us clarify this definition by comparing electoral autocracies with other non-democratic regimes. In pure tyrannies, the dictator shares his authority with no one. His authority is

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[2]Thus the legislature is not a mere advisory body directly appointed by the dictator

therefore based on the subordination of all subjects. Within the rather loose limits imposed by the structure of support he has, the tyrant is completely sovereign. By contrast, non-tyrannical autocracies (the most common of which are electoral autocracies) are characterized by the rule of an authoritarian elite, that is, by several individuals sharing power with each other.

Conceptually, then, non-tyrannical autocracies are dictatorships characterized by a two-level game. On the one hand, there is a game played within the authoritarian elite itself. The dictator and other members of the elite need to preserve a "deal" to govern jointly according to some power-sharing agreement. Preserving a power-sharing deal among the elite guards against the possibility that one of them would gain absolute preeminence over the rest, hence establishing a tyranny. On the other hand, we observe a game in which this autocratic elite excludes the rest of the population from power (and where the game is played in such a way that reinforces some of the conditions of the within–elite balance of power).

Our theoretical argument starts with the recognition that in order to deter threats against his rule, a dictator may seek the support of elite or notables with local influence. In return for their help, the dictator may promise the notables a (greater) share of the national budget or other political benefits. In turn, the notables may demand a guarantee that the promised benefits will last beyond the emergency that compelled the dictator to seek their support in the first place. However, resorting to third-party enforcement of any power-sharing arrangement between the dictator and the enlisted notables is not possible, since it would imply surrendering the very powers that both wish preserve. Hence, the central dilemma of any non-tyrannical autocracy is to establish the appropriate mechanisms that will allow the dictator to govern jointly with the notables, while minimizing the possibility that either

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party will deviate from such a power-sharing arrangement.[3] The two key institutional features of electoral autocracies, a legislative body and public elections of that legislature, are the instruments developed to solve this dilemma of autocratic power-sharing between the dictator and the elites.

How exactly do these two institutions solve the dilemma of autocratic power-sharing? In the first place, a legislature provides the notables a forum within which they may share information and allows them to monitor whether the dictator honors their agreement to share power. It also facilitates their ability to coordinate on jointly withdrawing support from the dictator should he renege on his promise to share power with any of them, thereby leaving the dictator vulnerable to any threats to his position in power. Thus in addition to its pure monitoring function, the legislature also performs an enforcement function. Intuitively, any one notable is too weak to compel the dictator to comply with a power-sharing arrangement. However, as a group, notables can threaten to support some challenge to the dictator's power if he reneges on the power-sharing arrangement in place. Put simply, a legislature is an institutionalized forum which reduces notables' coordination costs and thereby makes the autocratic deal more stable.

On the other hand, we argue that elections allow the dictator to ensure that he includes only important or influential notables in the power-sharing arrangement. Specifically, elections allow the dictator to monitor whether the local influence of individual notables is sufficient to warrant their continuing inclusion in the power-sharing arrangement. Elections serve as an imperfect yet public signal of whether the influence of individual notables is preserved, even if they are patronage-ridden or partially fraudulent.

Before the contemporary period the vast majority of legislatures operating under author-

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[3]Starting with a similar political dilemma, Myerson (2006) investigates the foundations of political leaderships and constitutions.

itarian (monarchical) regimes were not selected in elections. Instead, they were simply a gathering of powerful nobles who had an interest in checking the powers of the monarchs. North and Weingast (1989), for instance, explain how the Glorious Revolution of 1688 in which nobles turned against the exploitative Stuarts led to the strengthening of the Parliament that protected wealthy elites against arbitrary expropriation by the Crown. The use of elections (with broad electorates) was minimal due to the economic structure of the pre-modern era. Wealth was mainly based on land and, as a result, land holdings were a very good indicator of notables' influence.

Land holdings have become less informative over time. Modern economic development implies that an increasing fraction of notables' political influence derives from wealth accumulated through trade and services. Trade and services rely largely on a stock of contractual relationships that cannot be measured by an easily observable factor, such as land holdings. Hence modern autocracies have solved this monitoring problem via the institution of elections. Power-sharing at the national level endows each notable with patronage resources that he can use to cultivate his local political influence and the results of elections are an imperfect but public signal of that influence.

Although our model is built to explain non-tyrannical dictatorships, it can be employed to examine the circumstances under which an electoral autocracy will not be a feasible power-sharing arrangement. Recall that the original reason why the dictator considers sharing power with the notables is the presence of temporary threats to his rule. We find that when such threats to the dictator are insignificant, he does not have sufficient incentives to share power beyond the moment when those threats are imminent. The notables understand this and will therefore not support the dictator when threats to his power are not significant. Interestingly, the dictator also lacks the appropriate incentives to share power with notables

when threats to his rule are overwhelming. In that case, he will not even bother with enlisting notables that may support him and instead governs alone "while it lasts."

Our theory therefore generates a set of new predictions about the empirical relationship between political institutions, economic development and regime survival in dictatorships. First, the above argument suggests that tyrannies may be either short-lived or long-lived. This will be the case when threats to the dictator are overwhelming or insignificant, respectively. On the other hand, electoral autocracies occupy the middle ground in terms of regime durability. Finally, while historically legislatures appear to be a key institutional feature of effective power-sharing in dictatorships, our theory suggests that elections will be another feature of such institutionalized arrangements only when a significant fraction of economic production derives from trade and services. Thus we expect the number of electoral autocracies to increase with economic development.

The paper is organized as follows. In Section 2 we present some data on the distribution of types of dictatorships over time and briefly discuss the current theories of electoral or voting autocracies. In Sections 3 to 5 we develop our theory of electoral autocracies in two steps. After characterizing the nature of the "autocratic deal," we describe which are the institutional mechanisms (mainly, a legislature composed of "independent" notables) employed to solve the dilemmas embedded in that deal. We are then in a position to explore what strategies are employed by the autocratic elite (and the particular institutional solution it has chosen) to sustain their control over the rest of the population. Section 6 concludes. (In work in progress not included in this paper we consider the origins of different types of dictatorships as well as their impact on the political economy of their countries.)

2   Descriptive Data

In the data we examine, we employ the following definitions. A dictatorship is any regime where one of the two following conditions is not met: free and competitive elections and an executive accountable to citizens (either through elections in presidential systems or to the legislative power in parliamentary regimes).[4] A tyranny is a dictatorship without a legislature (or with a legislative council appointed by the executive). We call a non-tyrannical autocracy or, for the sake of brevity, an autocracy any dictatorship that has a legislature (with exclusion of advisory or legislative bodies appointed by the dictator).

Figure 1 and 2 show the number and the proportion of tyrannies and autocracies in the world from 1951 to 1999. We employ two data sets to determine the distribution of types of dictatorships respectively. We use the data set developed by Przeworski et al. (2000) to track the evolution of dictatorships with and without legislatures from 1951 to 1990. We rely on Keefer's "Database of Political Institutions" (Keefer 2002) to construct the same two series from 1975 to 1999. For the period in which we have overlapping data from the two sources, that is, 1975 to 1990, there is a mismatch between Przeworski's and Keefer's datasets, particularly for the number of tyrannies. Almost all of the difference has to do, however, with the fact that the Przeworski dataset does not report oil-exporting countries.

<center>Figure 1 and 2 about here.</center>

The total number of dictatorships grew steadily in the postwar period from about 40 to a peak of 108 in 1978. The number then declined to about 90 by the turn of the century. The number of tyrannies rose until the mid 1970s: in 1976 there were 47 dictatorships without legislative bodies. Autocracies also spread over time. They multiplied sharply in the early 1960s following the process of colonization. Their number stayed put for about fifteen years

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[4]The definition and the coding is taken from Boix and Rosato (2001).

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and then grew again after the late 1970s. By the early 1980 there were around seventy authoritarian regimes that had legislatures. As shown in Figure 2, in spite of the growth in the overall number of dictatorships, the proportion between tyrannies and autocracies has been considerably stable since the early 1950s. Between 70 and 80 percent of all authoritarian regimes have had an elected legislature in the last 50 years. During the seventies this proportion fell exceptionally to less than 60 percent, following a dramatic explosion of tyrannical rulers.

Table 1 about here.

Table 1 reports the number of transitions to dictatorial regimes at the time of independence and from already sovereign democracies. It also computes the number of transitions from tyrannies to autocracies and viceversa. Most regime transitions occurred before 1975. Thirty-one countries became autocratic at the time of independence. Another three fell into a tyrannical system as they became sovereign. In addition, we counted 19 democracies shifting to tyranny and 5 to autocracy. Similarly, the turnover within dictatorships was substantial: 26 tyrannies introduced legislatures and 37 autocracies lost them. After 1975, however, change was more subdued. Only a handful of authoritarian regimes resulted at the time of independence and most of the regime transitions consisted in democratic breakdowns leading to electoral autocracies (15 cases).

Figure 3 and 4 about here.

Taking advantage of Keefer's fine-grained information on the mechanisms employed to select the legislature, Figure 3 and 4 display the number and proportion of tyrannies (those dictatorships with either no legislature or with unelected legislatures), "hard" autocracies (authoritarian regimes with elected legislatures in which only one party has gained any seats) and "soft" autocracies (authoritarian regimes with elected legislatures in which at least two

party have seats). As noted before, the number and proportion of tyrannical regimes, which peaked in the mid 1970s, has experienced a decline to figures similar to those at the beginning of the postwar period. Within autocracies, however, there was a notable change in the nature of their legislatures. Until the late 1980s less than a third of all legislatures had more than one party. By the mid 1990s this proportion had just reversed. Table 2 shows that the growth in the number of soft autocracies came from two main sources: first, the collapse of democratic regimes (15 events) and second, a thawing of hard autocracies (30 cases, countered, however, by 18 episodes of transitions from soft to hard autocracies).

Table 2 about here.

3 Autocracies and the Autocratic "Deal"

As pointed out above, whereas in a tyranny the ruler (a single individual) governs in an unconstrained, absolute manner, all autocracies, that is, all authoritarian regimes governed by several individuals sharing in power with each other, are based on a (sometimes explicit yet more often) tacit 'deal' among the members of the autocratic or ruling elite both to govern jointly according to some predetermined rule and to respect such a 'power-sharing' agreement.

In non-tyrannical autocracies (which are the most predominant variety of autocracies in today's world), the autocratic deal or power-sharing agreement takes the form of a structure in which there is a *national leader* (a dictator), governing in a preeminent or commanding position, surrounded by a certain number of (local) *notables*, who participate (sometimes indirectly) in a national legislature elected though general yet not competitive elections. The national leader controls the central government and, with it, the ultimate instruments of state power: the army, the internal police, a tax collection system (either independent

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of the class of notables or merely resulting from the cash inflows or services paid by his notables). The notables accept the authority of the leader or president, defer to his decisions and support him financially and even militarily. Still, the notables control, each one of them, some part of the national territory or a given portion of economic resources in a stable manner and therefore retain some independence from the national leader.

In autocracies the sources of authority of the leader and the notables are independent. The notables do not elect the leader (in contrast to what may happen in more horizontal oligarchies). The leader relies for his support (and "legitimacy") on sources other than the direct opinion and consent of the class of notables. Sometimes he has earned his position by means of a coup (a 'soft' coup since he has not transgressed completely the jurisdiction of the notables). Alternatively, he has inherited his position from a parent or relative. Or he has been appointed by the previous leader ("dedocracia"). These procedures make the leader unaccountable to or independent from the local notables.

In turn, the dictator or national leader does not choose the notables (or at least does not choose them arbitrarily). The notables have some independent authority or jurisdictional powers, recognized by the national leader, over their respective local area (and the corresponding population). The nature of their authority varies with the forms of domination the notables employ (which in turn depend on the type of economy and probably the kind of state in place). In most non-tyrannical autocracies (basically 'electoral autocracies'), the provincial notables are patrons who manage a well-oiled network of clients through the provision of private goods and by linking them to the state and the jobs and services the state machinery offers. The relative independence of local notables differentiates an electoral autocracy from a tyranny. In a tyranny the dictator governs unchecked. Accountable to no one, he appoints his servants, rotates them and eliminates them at will. His only concern

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is to preserve intact the generalized fear and the coordination equilibrium that allow him to command. By contrast, in an autocracy the leader respects the provincial or sectorial power of each notable – although the extent of this respect varies, of course, with the variant of electoral autocracy.

Given the structure of power in electoral autocracies, these regimes (as any other authoritarian regime under the control of an authoritarian clique) should be bedeviled by extraordinary political tensions. To obtain higher rents, to lower the probability of rebellions among ambitious notables or to build up a more cohesive country that can be then employ to expand abroad, the dictator will strategize to get rid of or at least subject with a much firmer grasp the class of notables. The leader may try to check, imprison or kill all the notables at the same time and then proclaim himself absolute ruler or monarch. Alternatively, he may use more gradual tactics. He may get rid of a few notables at a time without the rest taking notice, proceed to absorb the fortunes and power of those he just eliminated and use his growing power to further purge more notables. In that he may be aided by a faction of loyal supporters (within the general class of notables) which would then give him the extra resources needed to overwhelm everyone else. Naturally, a few sequential rounds of such type of 'salami' tactics will transform him into a tyrant. In turn, one or several local notables may as well try to upset the existing balance of power. They may attempt to accumulate resources, organize particular networks of supporters or reshape the class of notables itself to constrain the dictator or to fire him.[5]

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[5]In the face of a potentially overpowering leader, capable of exploiting his preeminent position to become a tyrant or absolute ruler, many notables may long (and accordingly act) to become fully independent. Such an option may not be available, however, for three reasons. In the first place, notables need a dictator to rule over every notable, to adjudicate and referee in their disputes and to ensure a state of peace. Without a national leader, countries become engulfed in civil wars among territorial notables. Or they split into units that are too small to defend themselves successfully. This leads to the second motive to enter and sustain an autocracy. It congeals a stable alliance of minor powers to cope with any external enemies. Finally, the local notables may sometimes need protection against their own populace. Again, the dictator is instrumental

Given those sources of conflict and stability, the central dilemma or challenge of any autocracy will also consist in establishing the appropriate mechanisms to sustain an autocratic deal. Although the autocratic clique has to organize the state in the proper way to exclude the rest of the population from government (and, as we examine later, this goal is accomplished in electoral autocracy through a particular system of organizing elections), the governing class has to make sure, above all, that the deal to govern jointly remains unchanged, that is, that no party among themselves will gain the ability to alter it in its favor. In other words, in the process of ruling, the autocratic elite has to make sure that no one within the ruling class will either create factions or internal networks, use exogenous resources or stir the support of those that are excluded from government to challenge the status quo, that is, to shift the internal balance of power (of the autocratic elite) and to reconfigure the composition of the governing elite. To the extent that the elite is successful in preventing anyone from reneging from the autocratic deal, the non-tyrannical autocracy will endure. Otherwise, the electoral autocracy will collapse and give way to a different political arrangement.

Now, the autocratic deal cannot be simply grounded on a verbal pact among autocrats – an orally given promise to respect the position or status of everyone and to consult everyone informally to decide over any issue. It cannot be based either on a mere written agreement - in the form of a contract accepted and signed by everyone. As in any pact, the autocratic deal needs to rely on some external guarantees, that is, on some guarantees that go beyond the strict promise to behave well and keep the agreement. Unless there are some mechanisms to monitor the behavior of the parties of the agreement and unless there are some means to enforce the pact, anyone may have the temptation to renege from it and to undo the

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in this pact of mutual assistance: he can send his own troops or engineer coalitions of notables to help in suppressing local revolts.

agreement to jointly share in ruling.

The autocratic "pact" requires the existence of some public body or institution that confirms the nature of the deal made among autocrats and that guarantees its maintenance. Naturally, this body (or organization) cannot be a third party independent from the autocratic elite to whom the latter entrusts the enforcement of the pact. If that body were external to the ruling clique, the sovereignty of the state would be actually lying in its hands and not under the control of the governing elite. The institution (or institutions) that embodies (and preserves) the pact must be some structure where the members of the elite are represented or in which they participate and which reflects the nature of the pact among the members of the elite (either a horizontal pact among equals or a hierarchical pact in which the members of the elite participate in the government in different degrees). This collective body (or set of bodies) must be such that it serves both to monitor the autocratic deal (by giving the right type of information about the current balance of power and about the possible attempts to alter it) and to enforce it (by punishing or credibly threaten to punish those that may deviate from the power-sharing agreement).

In electoral autocracies, the institutional solution takes the form of a compounded structure of government. First, there is the dictator at the front of the state. Second, the notables meet with some regularity in an assembly. Finally, the dictator and the notables (in assembly) meet together to reaffirm the terms and validity of their relationship, to exchange information on their actions and plans, to ease suspicions, release any tensions and solve any disputes.

This compounded structure of government fulfills in an appropriate manner the two central functions of monitoring and enforcement needed to sustain the autocratic deal. It gives everyone enough information about the status of all the involved parties. In meeting

together as a separate group, each notable checks that their equals are still alive and that they have not experienced arbitrary changes (brought on by the leader) in power, assets and status. Similarly, every notable observes the nature, size and stability of the existing factions in the country. In doing so, he verifies that no section of the notable class is too loyal to the leader or, in other words, too "monarchical." The very routine of meeting in an assembly also serves as a yardstick to measure the intentions of the leader. Any attempt by the national leader to block or not convene his lords' assembly is a signal that he is indeed intent on disrupting the old balance of power and should therefore trigger an immediate backlash from his notables.

It is also an adequate (even if it is not a bullet-proof) mechanism to enforce the pact. In an autocracy the national leader is stronger than any individual notable (or than a fraction of the nobility) yet weaker than the whole population of notables. This is, as a matter of fact, not unlike a tyrannical government, where the tyrant always succumbs to the coordinated antagonism of his subjects. But autocracies and tyrannies differ in a key sense. In a tyranny, the tyrant's goal is to prevent the very possibility of coordination. In an autocracy the legislature (and other organizations or bodies such as regular meetings of party notables - conditional on the latter having some autonomous basis of support) make the possibility of coordination available in a public manner. In an autocracy, the national leader has already conceded to the local or regional notables the possibility of coordination. Notables meet, with some (not necessarily high) regularity, and this meeting may become an occasion to coordinate against the overlord. To put it in other words, the assembly of notables reduces the coordination costs of the agents of the overlord and hence tips the balance away from what otherwise would become a tyranny.

To sum up, a compound system of government, with a preeminent leader and some

sort of assembly (whose powers may extend from pure consultation to legislative capacity), stabilizes the autocratic deal. The existence of an assembly (and its interaction with the national leader) acts as the enforcer of the deal. Without an assembly or a focal point of coordination, and even if there were strong notables or factions around the country, we could not talk about an autocratic government (a government by a plurality of individuals). The national leader (or even an entrepreneurial notable) would employ the lack of horizontal coordination to destroy his enemies, to create networks of privileged and to finally govern absolutely.

All this discussion does not entail, however, that autocracies and their assemblies should be smooth businesses. If they were, we would be in the presence of a de facto tyranny. In an assembly, the notables have an opportunity to voice their grievances, suggest alternative courses of action and disrupt any tyrannical designs of the autocratic leader. Sporadic clashes between the national leader and the assembly of notables should be expected because they constitute the very mechanisms through which each side reevaluates the strength of the other party.

Still, those clashes (or temporary deviations from a cooperative equilibrium) are very unlikely to result in generalized disorder and in the dethronement of the national leader for two reasons. Deposing the dictator may be done with two alternative goals in mind. The class of notables may take advantage of its meeting to depose the leader to establish a new form of government – such as a republic of notables or oligarchs (where the leader is directly elected by the latter and therefore has become a much weaker figure). Instead, they may pursue a less radical goal – maintaining the electoral autocracy while transferring the leadership to a new individual.

Let us start discussing why these two possibilities are very rare events by looking at the

latter case (a change in leader) first. Replacing leaders comes with a high prize: violence, the likely emergence of new (and permanent) factions that transform the current distribution of benefits within the elite, and, even more worryingly, the possibility that the change of leader is the doing of a faction that has, as its goal, the construction of a network that will result in the cleansing of part of the current clique of notables. Yet this prize is paid without changing, in any relevant way, the structure of decision-making and the incentive mechanisms that are embedded in the compounded system of government we are describing. Hence, the class of notables will be extremely reluctant to change leaders. It will only replace the dictator with a new leader if it believes the current one is becoming a tyrannical autocrat.

4 Political Institutions and Power-Sharing in Autocracies

A possible way to formalize the above intuition may be done by considering the following setting. In period one, the national leader faces a threat to his position from a challenger or a revolutionary action. Assume that the threat to the national leader is of magnitude $m > 0$. In order to defeat this threat, the leader may enlist the support of some number of notables. We assume that notables may enjoy significant influence locally but that the power of any single notable is of very little consequence at the national level. To capture that idea, suppose there is a large number of identical notables whose *joint* power at the national level is measured by $n \geq 0$, while the power of any single notable is close to zero at the national level.

In order to understand the consequences of the threat for the leader, we assume that the leader defeats the threat with probability $\pi(m, n)$, which is a logistic function of the

difference between the joint power of notables n and the magnitude of the threat m,

$$\pi(m,n) = \frac{1}{1 + e^{-(n-m)}} \ .$$

Intuitively, $\pi(m,n)$ is increasing in $m-n$, $\pi(m,n) = \frac{1}{2}$ when $m = n$, and extreme imbalances in power between the leader's coalition and the threat imply almost certain victory or defeat.[6]

Recruiting notables is, however, costly. In order to recruit the notables, the leader agrees to supply them in the present and each following period with resources that each notable can use to cultivate his local political influence. Suppose, therefore, that enlisting notables with the joint power of one costs the leader $c > 0$. On the other hand, the leader's payoff is identical to the size of the national budget $b > 2c$ when he is in power, and we assume that the leader receives the payoff of zero if he is defeated by the threat.[7] Then in period one, the expected payoff to the leader when he recruits notables of magnitude n, while he faces a threat of magnitude m is

$$\pi(m,n) \cdot (b - cn) + [1 - \pi(m,n)] \cdot 0 \ . \tag{1}$$

The leader recruits an optimal number of notables n^* when he chooses $n \geq 0$ that maximizes his expected payoff in (1). Taking the derivative of (1) with respect to n, the leader obtains a maximum expected payoff whenever

$$(b - c - cn)e^m - ce^n = 0 \ ,$$

or equivalently whenever

$$n = \frac{b}{c} - 1 - W(e^{\frac{b}{c} - m - 1}).$$ (2)

In equation (2), $W(x)$ is the product log function defined as the inverse function of $x = We^W$.[8]

The expression in (2) has some very intuitive implications for the number of notables that the leader optimally recruits. When considering whether he should recruit more notables, the leader weights the increased likelihood of defeating the threat against the cost of maintaining a larger coalition of notables. The leader will optimally recruit more notables when the threat m is larger and when his budget b is larger, but he will recruit fewer notables as the cost c of enlisting their support increases. Furthermore, the optimal number of recruited notables n^* exhibits diminishing marginal returns in the magnitude of the threat m. Finally, the leader never recruits more notables than he can afford, even if he faces a threat of a very large magnitude. To illustrate these relationships, we plot n^* for $b = 10$, $c = 1$, and $m \in (0, 20]$ in Figure 5.

<center>Figure 5 about here.</center>

Now consider the leader's incentives to maintain the optimal coalition n^* in the future given the following setting. In period two and any subsequent period, the leader first decides what number n of notables to enlist and the notables decide whether to support the leader. Second, a threat of magnitude m arises again with probability $p \in (0, 1)$ (in which case the leader would have optimally enlisted n^* notables in order to survive.) Whenever a threat does not arise, which happens with probability $1 - p$, the leader remains in power for sure (in which case the leader would have optimally enlisted zero notables.) Finally, after learning

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[8]Given our assumptions, the function $W(x)$ is single-valued, strictly increasing, concave, and such that $W(0) = 0$ and $\lim_{x \to \infty} W(x) = \infty$.

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whether a threat is present and contingent on defeating the threat, the leader may deliver the promised resources to the notables he enlisted if any extant threat is successfully defeated. If the leader's coalition defeats the threat, the game moves to the next period; if instead the leader is defeated, then the game ends.

The notables understand that at the end of any period, the leader will face the temptation to renege on the promise to deliver them resources in return for their support. In turn, they will support the leader in period one only if they can expect him to deliver the promised benefits at the end of each subsequent period. As we have emphasized previously, the national leader and the notables cannot rely on an outside authority to enforce an agreement between them since this agreement is the very foundation of their political authority within the country. We will therefore require that any agreement between the leader and the notables is "self-enforcing" in the sense that no party has an incentive to deviate from it at any time. Given this consideration, we consider optimal behavior by the leader and the notables in turn.

Consider first the expected discounted payoff to the leader from enlisting an optimal number of notables n^* from period two onward and denote it by V^S (S stands for "power-sharing".) Assume a discount factor $\delta \in (0,1)$. Then we have

$$V^S = (1-p)[b - cn^* + \delta V^S] + p\pi(m, n^*)[b - cn^* + \delta V^S],$$

or equivalently

$$V^S = \frac{b - cn^*}{\frac{1}{1-p+p\pi(m,n^*)} - \delta} \ . \tag{3}$$

In contrast, when no notables support the leader his expected discounted payoff from period

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two onward is

$$V^T = (1 - p)[b + \delta V^T] + p\pi(m, 0)[b + \delta V^T] \, ,$$

or equivalently

$$V^T = \frac{b}{\frac{1}{1-p+p\pi(m,0)} - \delta} \, . \tag{4}$$

Comparing V^S and V^T (where T stands for "tyranny") sheds light on the incentives of the leader to maintain a coalition of optimal size. There is a threshold probability of threat $\underline{p}$ such that when $p \leq \underline{p}$, the leader feels so safe that he lacks sufficient incentives to maintain a coalition of n^* notables, $V^S \leq V^T$. The notables understand this and will therefore not support the leader in any period. This is a long-lived equilibrium outcome and we call it a *tyranny.*

There will also be thresholds of a threat magnitude $\overline{m}$, cost $\overline{c}$, national budget $\underline{b}$, and discount factor $\underline{\delta}$ such that if $m \geq \overline{m}$ or $c \geq \overline{c}$ or $b \leq \underline{b}$ or $\delta \leq \underline{\delta}$, the leader is so vulnerable to the threat of a challenger or a revolutionary action that he does not even bother recruiting a coalition of notables and enjoys the benefits of ruling alone "while it lasts." Again, the notables anticipate this and will not support the leader in any period. This is a short-lived equilibrium and we call it a *lame-duck tyranny.*

Importantly, however, there is a politically interesting range of parameters within which power-sharing between the leader and the notables may be feasible: If the notables could devise proper incentives for the leader not to renege on the benefits promised in return for their support, the leader would actually prefer to maintain an optimal coalition of notables to ruling alone. This will be the case when $p > \underline{p}$, $m < \overline{m}$, $c < \overline{c}$, $b > \underline{b}$, and $\delta > \underline{\delta}$.

How might notables foster such incentives? We consider two possibilities. The first is a bilateral enforcement mechanism according to which any one notable threatens to per-

manently withdraw his support from the leader if he is denied the promised benefits. A second possibility is a multilateral enforcement mechanism according to which *all* n^* notables threaten to never again support the leader, should *any* notable not receive his promised benefits. This second enforcement mechanism requires a forum through which notables can monitor the leader's relationship with every other notable. We propose that a national legislature provides such a forum. We therefore call the first setting an *autocracy without a legislature* and we call the second an *autocracy with a legislature*. We examine these settings in turn here.

Under autocracy without a legislature, the leader's commitment to maintain a coalition of n^* is *not* credible. In period two, before he learns whether there will be another threat, the leader would ideally form a coalition with only $\hat{n} < n^*$ notables such that $\hat{n}$ maximizes his expected payoff in that period,

$$(1 - p)[b - cn] + p\pi(m, n)[b - cn] \, .$$

The leader will therefore prefer to dismiss a positive number $\epsilon \leq n^* - \hat{n}$ of notables from the power-sharing arrangement devised in period one. In other words, what seemed to be a coalition of the optimal size in period one (when the threat was certain) becomes too large of a coalition in period two (when the threat happens only with probability p.) Thus the threat of punishment by any *individual* notable in period two will not be sufficient to commit the leader to maintain the original coalition of size n^*.

This credibility problem that notables face is resolved under autocracy with a legislature. The leader's expected discounted payoff from period two onward when notables jointly withdraw their support is V^T. Recall that $V^T < V^S$. Thus the presence of the legislature makes

the notables' threat of punishment credible. Now the leader prefers to maintain a coalition of size n^* as long as

$$b - cn^* + \delta V^C \geq b + \delta V^P \ .$$

Although algebraically tedious to compute, there exists a unique $\delta^* \in (0, 1)$ that satisfies the above relation at equality: When all notables have the ability to coordinate on withdrawing support from the leader should any of them be dismissed from the power-sharing arrangement, the leader will maintain the original coalition of size n^* for a sufficiently high discount factor $\delta \in [\delta^*, 1)$. Put simply, credible power-sharing between the leader and notables is therefore possible only under autocracy with a legislature.

Finally, we need to verify that the notables would want to support the leader in any period as long as he maintains a coalition of size n^* but would withdraw their support, should any of them be denied the benefits promised. To make these incentives as sharp as possible, suppose that whenever the leader honors his commitment, each notable in his coalition receives benefits of size $g > 0$. In contrast, if the leader reneges on his commitment, each notable receives zero benefits. Supporting the leader costs the notables nothing in periods without a threat. However, in periods when a threat exists, such support is costly and depends on the whether the threat is defeated. That is, in periods when a threat is present, each notable incurs the cost $f > 0$ when the leader's coalition fails to defeat the threat, and we assume $f > g$. On the other hand, each notable's cost is g when the threat is defeated.

To summarize, the payoff to each notable depends on weather (i) he is a member of the leader's coalition, (ii) a threat to the dictator's power exists, (iii) that threat is defeated, and (iv) the leader honors his commitment to the notables who supported him. These payoffs are summarized in Table 3. We see that supporting the leader in any period when a threat is present is costly to the notables – they do at least as well outside the leader's coalition even

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if the threat is defeated. But supporting a leader who will be defeated is the worst possible choice; irrespective of whether the leader would honor his commitment, each notable's payoff is $-f$. Thus the notables only enjoy benefits from supporting the leader in periods when threats are absent and only *after* they have defeated threats in previous periods.

Table 3 about here.

We can now verify that the notable's choices under *autocracy with a legislature* are subgame perfect. A notable's expected discounted payoff when he is a member of the leader's coalition and the leader honors his commitments is

$$v^S = (1-p)g + \delta v^S + p\left([1 - \pi(m, n^*)](-f) + \pi(m, n^*)\delta v^s\right) ,$$

or equivalently

$$v^S = \frac{g(1-p) - fp[1 - \pi(m, n^*)]}{1 - \delta - p\pi(m, n^*)\delta} .$$

A notable will therefore prefer to support the leader from period one onward as long as

$$\pi(m, n^*)\delta v^S + (1 - \pi(m, n^*))(-f) \geq 0 . \tag{5}$$

In terms of the values of $\pi(m, n^*)$ and p, inequality (5) implies that notables will not support a leader who is about to lose to a threat, nor a leader who needs help defending against threats too often. This will be the case when the probability $\pi(m, n^*)$ is too small or the probability p is too high, respectively. Assuming that these conditions do not obtain, no notable will withdraw his support from the leader as long as the leader honors his commitment to maintain the coalition of size n^*.

On the other hand, once the leader violates his agreement between with the notables, any notable will prefer to withdraw support from the leader as long all other notables withdraw

their support as well. This is because being the only member of the leader's coalition makes it extremely likely that the leader will be defeated by the threat. Recall our assumption that the power of any single notable is close to zero at the national level and denote it by ε. Then the expected payoff to a single notable who supports the leader while all other notables have withdrawn their support is

$$[1 - \pi(m, \varepsilon)](-f) + \pi(m, \varepsilon)\delta v^s \,. \tag{6}$$

This expression is negative as the probability $\pi(m, \varepsilon)$ approaches zero for a sufficiently small ε. Thus we see that given some intuitive constraints, credible power-sharing between the leader and notables can emerge under autocracy with a legislature.

5   Local Notables and the Electoral Connection

As pointed out in the introduction, non-tyrannical autocracies are characterized by a two-level game – first within the elite and then between each notable and the rest of the population. In the game between each notable and his "subordinate" population, the notable is interested in sustaining the resources that allow him to participate (as an autonomous agent) in the autocratic deal with the national leader. In turn, the national leader is also interested in determining the strength of each notable, that is, the former will benefit from conditioning the future power-sharing with any single notable on the notable's continuing influence.

The local influence of notables may take at least two broad forms, which we correlated with current economic structures and technologies. On the one hand, local notables may derive their position from land holdings (with some population of laborers fixed to them).

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Land possessions are a clear-cut indicator of a notable's local influence. Elections are not necessary to sustain the notable's status. Under those circumstances we have "feudal monarchies", in which a monarch preserves a preeminent position, uses some class of landowners to maintain his kingdom and agrees to call with some regularity some parliament or assembly of lords. Notice that this solution (prevalent in medieval Europe) is clearly different from those palatial regimes in which the monarch is a tyrant or despot with a court of servants (the case of Asian despotisms, several absolutist regimes in modern Europe and so on).

On the other hand, as an increasing fraction of wealth and the ensuing political influence derives from trade and services, land holdings cease to be as an informative indicator of notables' influence. This is because trade and service rely to a great extent on a stock of contractual relationships that cannot be measured via an easily observable factor such as land holdings. Under those circumstances, local notables' influence derives from the construction of a network of clients and the distribution of rents (ranging from small private goods to legal concessions to exploit resources, build public works, etc). In such a type of economy, district-level results of elections play a growing role because they become an increasingly useful indicator of whether the notable maintains his local influence.

Suppose therefore that district-level electoral results are an imperfect signal of each notable's local influence.[9] Using the arguments developed in Fudenberg et al. (1994), we can show that power-sharing between the national leader and notables is feasible under a wider range of circumstances when such an informative signal is used to condition the continuation of power-sharing between the leader and any individual notable. We call this equilibrium an *electoral autocracy with a legislature.*

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[9]More precisely, we assume that they are correlated in the sense of the monotone likelihood ratio property.

6   Conclusions

From a historical point of view democracy has always constituted a very exceptional form of government. Until the last hundred years, republican polities were confined to a few cities in the classical world and in medieval and modern Europe - and even then their democratic institutions were of the most imperfect sort. A back-of-the-envelope calculation shows that, since it emerged about 100,000 years ago, close to ninety nine percent of mankind has been governed by authoritarian rulers - tyrants, monarchs, princes and warlords of all venues.

Yet the literature on nondemocratic regimes is still at its infancy for at least two reasons. First, most of the literature on dictatorships mistakenly treats the rule of a single individual or tyrant as the standard type of autocratic government. Second, in contrast to all the growing literature on elections and democratic institutions, which has been gradually transformed by the reception of analytical tools and the development of causal models, the examination of authoritarian systems is still wedded to a sociological approach committed to the construction and description of ideal types, that is, of types developed on the basis of the high frequency of certain particular traits.

By contrast, this paper starts from the assumption that a useful theory of dictatorships should depart from an exploration of the way in which power is distributed and sustained both within the ruling class and between the ruler and the ruled. It is this distribution which determines the incentives and behavior of the rulers and its subordinates.

Accordingly, we suggest that the appropriate point of departure (in a way following classical authors) consists in distinguishing between tyrannies (single-ruler dictatorships) and autocracies (dictatorships governed by an authoritarian clique). In a tyranny the dictator is the sole bearer of power and as such his exercise of power is not subject to any institutionalized limits or conditions except for those he himself chooses to impose. In (non-tyrannical)

autocracies, instead, several individuals share in the sovereignty over the state. This system of shared sovereignty constrains each one of them as follows. Since sharing sovereignty comes from the very decision of several individuals to subject themselves to some common procedure that applies to all of them, the members of an autocratic regime cannot unilaterally rework the rules of conduct that govern them.

Within the category of non-tyrannical autocracies, we have here investigated the most common system, that is, one in which a national leader relies on a set of notables and partially shares power with them.[10] The credibility and durability of that power-sharing arrangement is sustained by two institutional features: a legislature and elections. The two institutions perform two distinct incentive roles. The legislature allows the notables to monitor whether the leader honors their agreement to share power and, crucially, to coordinate on jointly withdrawing support from the leader should he renege on his promise to share power with any of them. On the other hand, elections allow the leader to monitor the local influence of individual notables and thus ensure that he maintains a coalition that is capable of defeating any threat by a challenger or a revolutionary action.

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[10]Another form of autocratic system, not explored here, would be a non-hierarchical power-sharing agreement, that is, one in which there is no national leader and all notables participate in a committee with similar or equal rights. This would be the case of Poland's early modern Diet or several Italian oligarchical republics.

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Table 1: Transitions to dictatorial regimes, 1955-99

	Became independent and autocracy	and tyranny	From democracy to autocracy	to tyranny	From tyranny to autocracy	From autocracy to tyranny
1955-59	3	1	1	2	2	4
1960-64	20	1	3	6	6	5
1965-69	7	0	1	7	5	12
1970-74	2	1	0	4	13	16
Total 1955-74	32	3	5	19	26	37
1975-79	1	0	2	0	0	0
1980-84	0	0	6	0	0	0
1985-89	0	1	2	0	0	0
1990-94	2	0	4	0	0	0
1995-99	0	0	1	0	0	0
Total 1975-99	3	1	15	0	0	0

Sources: Przeworski et al. (2000) for 1955-74, Keefer (2002) for 1975-99.

Table 2: Regime transitions to autocratic regimes, 1975-99

	Became independent and soft autocracy	Became independent and hard autocracy	From democracy to soft autocracy	From democracy to hard autocracy	From soft autocracy to hard autocracy	From hard autocracy to soft autocracy
1975-79	0	1	2	0	2	3
1980-84	0	0	6	0	1	2
1985-89	0	0	2	0	0	3
1990-94	0	2	4	0	5	13
1995-99	0	0	1	0	10	9
Total	0	3	15	0	18	30

Sources: Przeworski et al. (2000) for 1955-74, Keefer (2002) for 1975-99.

Table 3: Payoffs to notables

		Notable			
			Support		*Do not support*
	Nature	No threat	Defeat threat	Lose to threat	
	Probability	$1-p$	$p\pi(m,n)$	$p[1-\pi(m,n)]$	
Leader	*Honor*	g	0	$-f$	0
	Renege	0	$-g$	$-f$	0

Figure 1. Number of Dictatorships with and without Legislature, 1951-1999
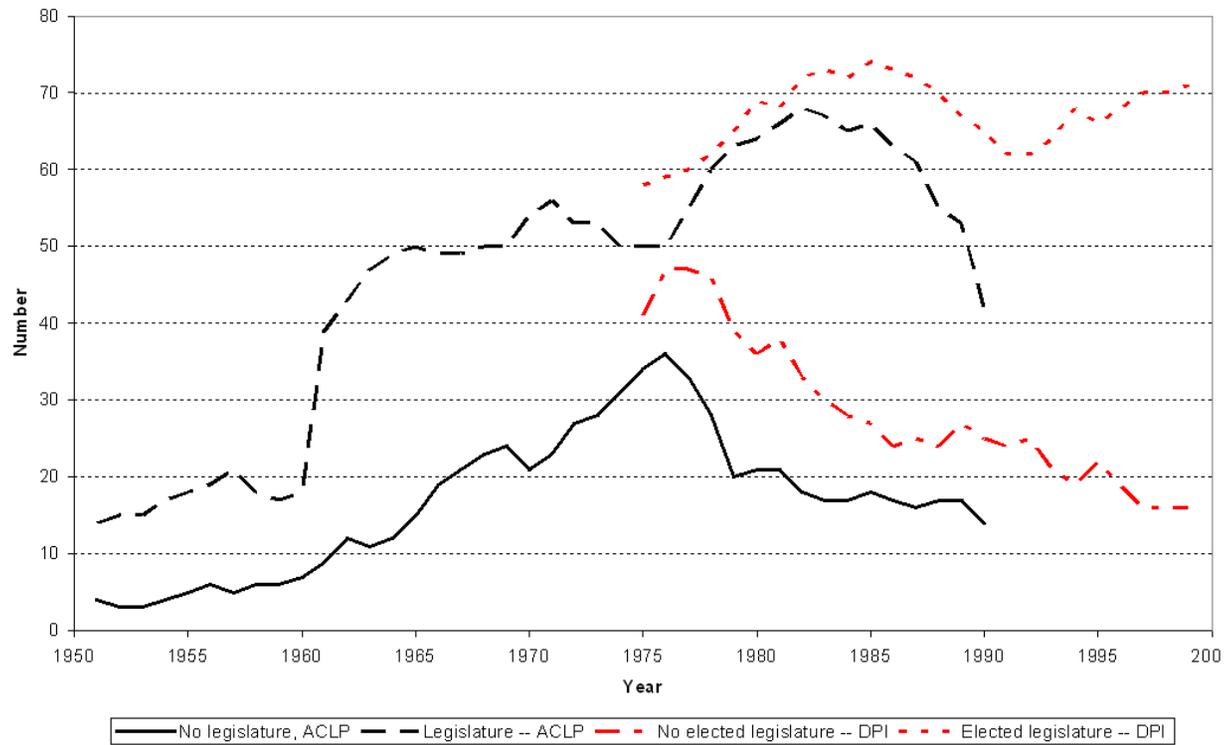
Figure 1: Number of dictatorships with and without legislature, 1951-1999.

Figure 2. Frequency of Dictatorships with and without Legislature, 1951-1999
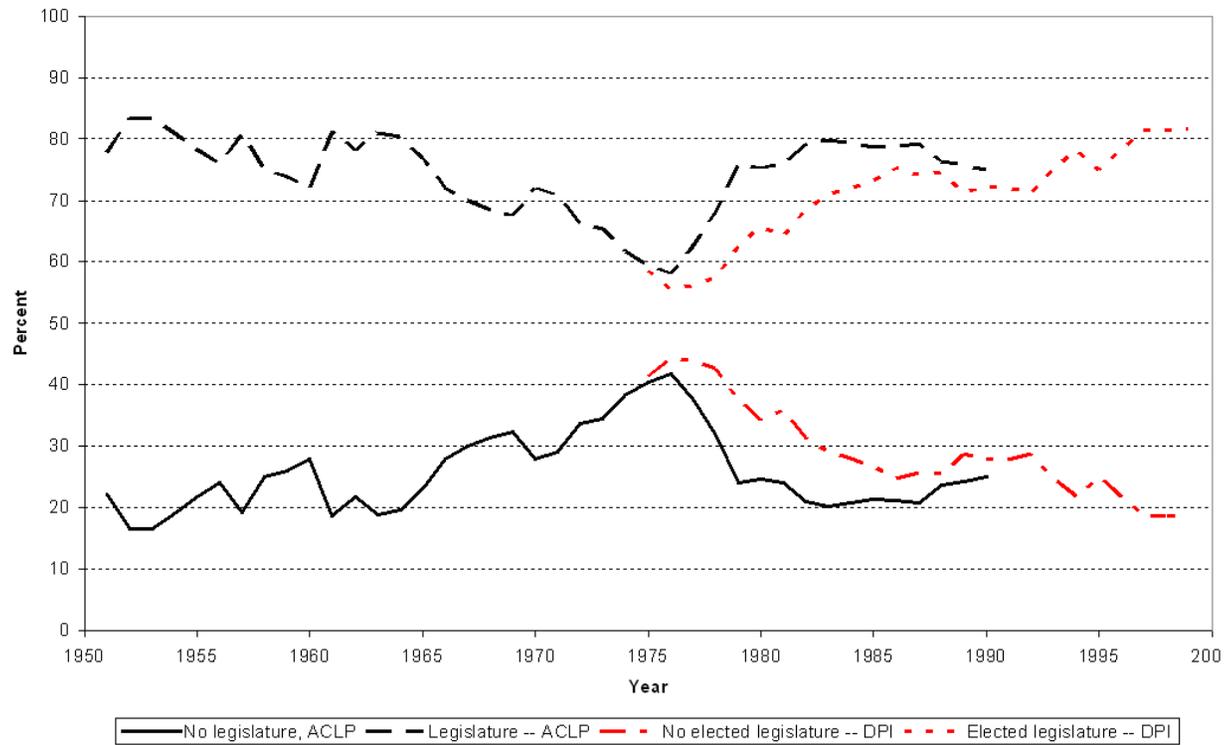
Figure 2: Frequency of dictatorships with and without legislature, 1951-1999.
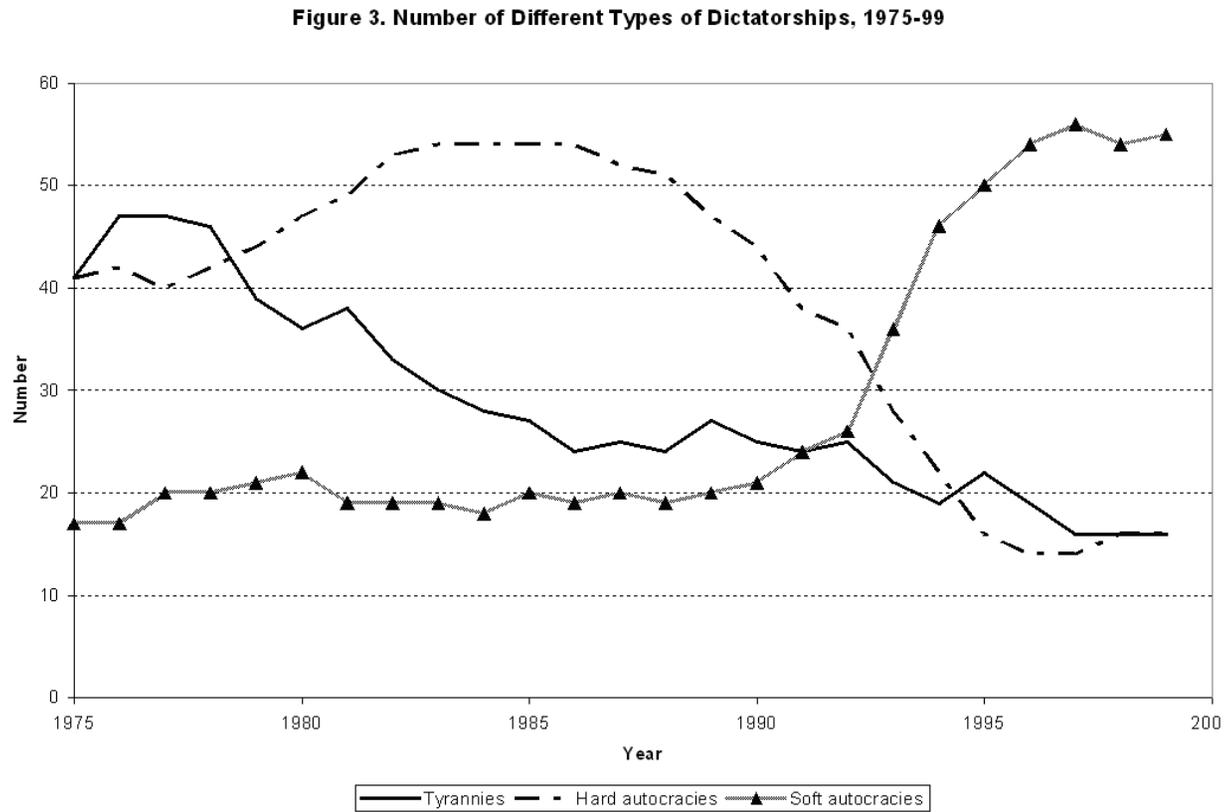
Figure 3: Number of different types of dictatorships, 1975-1999.

**Figure 4. Proportion of Different Types of Dictatorships, 1975-99**
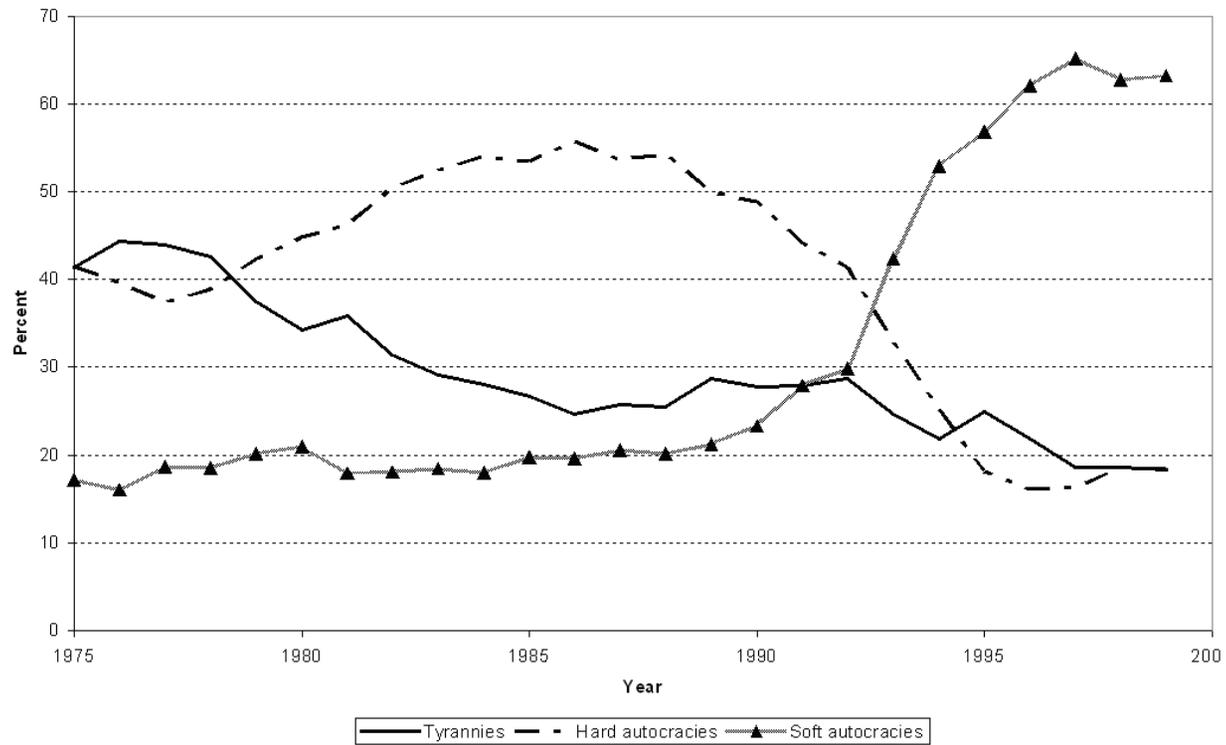
Figure 4: Proportion of different types of dictatorships, 1975-1999.
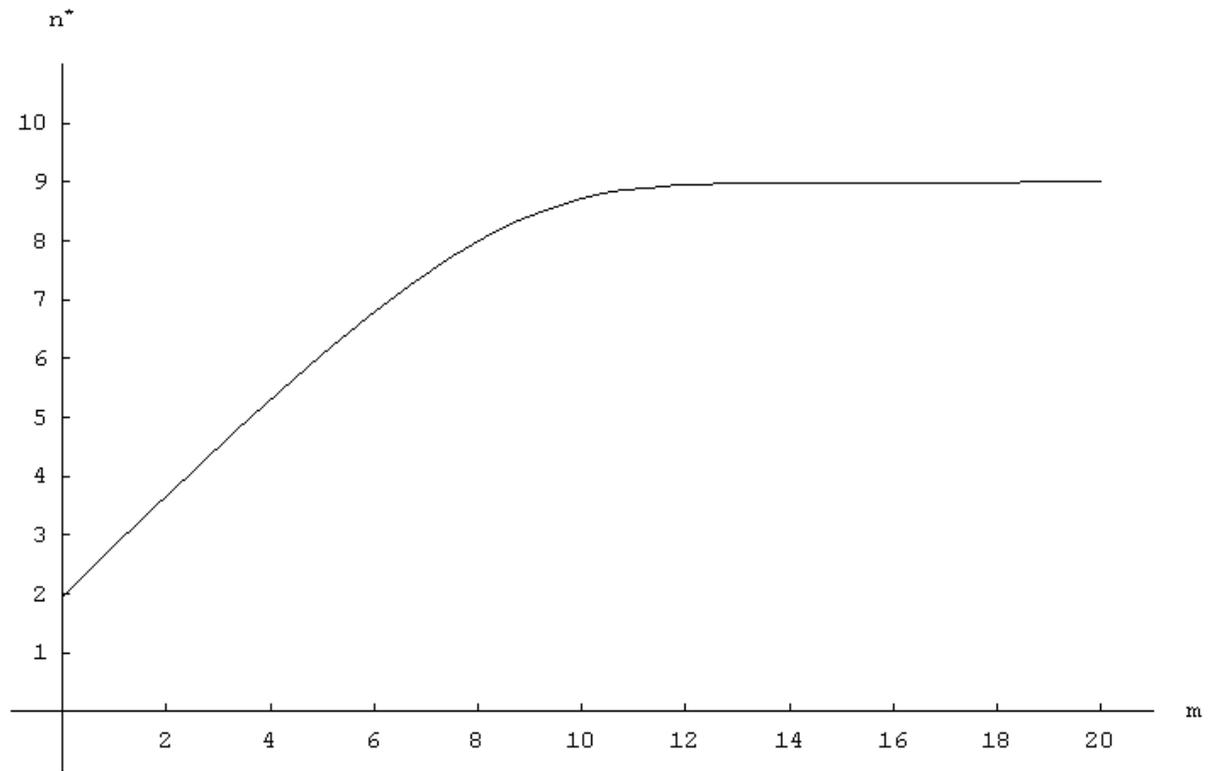
Figure 5: Leader's optimal recruitment of notables n^* for $b = 10$, $c = 1$, and $m \in (0, 20]$.