

Overview

Two lectures ago: war caused by bargaining failure

- ▶ indivisibility
- ▶ uncertainty over type
- ▶ shifting power and commitment problems

Last lecture: leaders and the public

- ▶ diversionary war
- ▶ war to satisfy interest groups

Democratic Peace

Democracies are no more or less conflict prone in general, but *almost never* fight each other.

Law-like regularity, but why?

- ▶ Responsiveness to public opinion costs?
- ▶ Ability to signal resolve reduces uncertainty?
- ▶ Economic interdependence and costs?
- ▶ Norms?

Democratic Peace

Weeks and Tomz (2013), Public Opinion and the Democratic Peace

“We embedded experiments in public opinion polls in the United States and the United Kingdom and found that individuals are substantially less supportive of military strikes against democracies than against otherwise identical autocracies. Moreover, our experiments suggest that shared democracy pacifies the public primarily by changing perceptions of threat and morality, not by raising expectations of costs or failure.”

Why would democracies provide what the public wants?

Selectorate Theory

Selectorate theory (Buena da Mesquita et al.) studies how leaders respond to incentives for rewarding their core supporters versus providing public goods for the country as a whole.

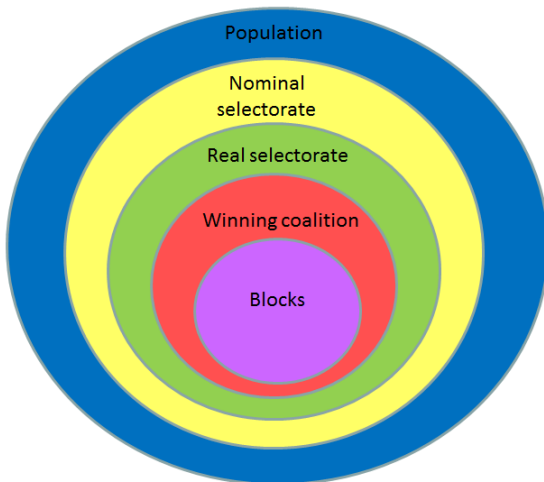
Actors/Roles

- ▶ Residents of a country N

- ▶ Selectorate (S)
 - ▶ Set of people who have at least a nominal say in choosing leaders
 - ▶ Can become members of a winning coalition

- ▶ Winning Coalition (W)
 - ▶ Subset of the S without whose support the leader cannot be sustained in office

Governance Dimensions—Nested Selectorate Institutions

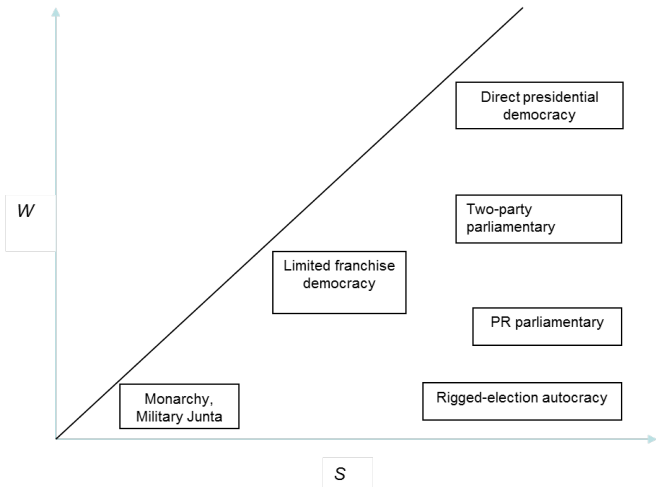


Selectorate Theory (continued)

Selectorate (S) and the winning coalition (W) describe how political systems select and retain leaders ($W \leq S$).

- ▶ As we learn more about S and W , we will learn more about politics than is possible by focusing on categories (like democratic versus autocratic).
- ▶ Example: Presidential systems and list-voting systems have larger W than single-member district parliamentary systems, yet they are routinely categorized as equally democratic.

Standard Regimes and W and S



What Do These Differences Translate Into?

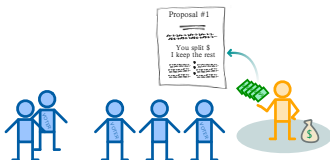
- ▶ Public versus private good distribution
- ▶ Survival of leaders
- ▶ Extent of productive economic activity
- ▶ Selection of conflicts to start and effort in those conflicts

Public Versus Private Goods

- ▶ Public goods (x): nonexcludable and nonrival; everyone benefits from them:
 - ▶ National defense, free speech, public parks

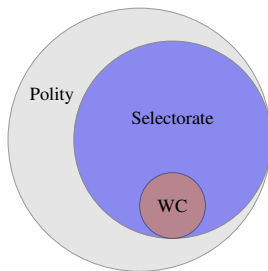
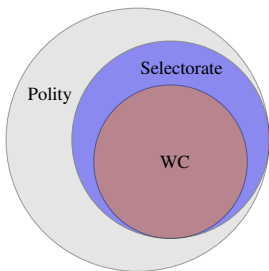


- ▶ Private goods (g): excludable and rival; only members of the W benefit from them:



Public Versus Private Goods

- ▶ Mix of public and private goods in a political system depends on selection institutions
- ▶ As W increases, model predicts the mix of goods distributed shifts toward public goods



What to Leaders Do?

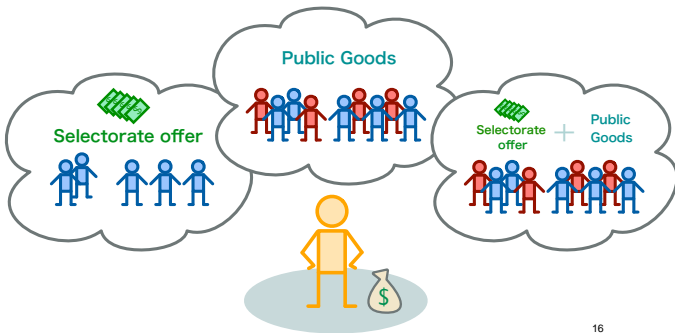
Leaders try to survive in office.

- ▶ Contingent on political survival, leaders try to maximize their discretion over how government revenue is used.
- ▶ Leaders allocate some revenue as public goods for all and some revenue as private goods for coalition members.
- ▶ What governs whether leaders stay in office?

Incumbency Constraint

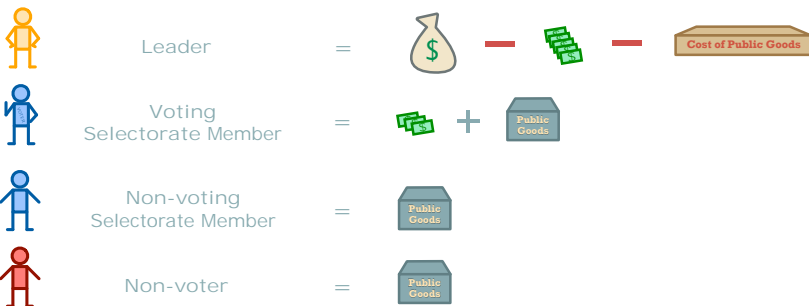
Consider one leader and a challenger.

- ▶ In each period, the incumbent and challenger pick coalitions and offer private and public goods.



Incumbency Constraint

- ▶ People receive payoffs as:



- ▶ Leaders remain in power if majority of W (“Voting Selectorate”) supports the leader.

Incumbency Constraint

Leader must pay the coalition enough to prevent defection to the challenger.

Challenger's problem:

- ▶ Challengers cannot commit to keeping all transition supporters in their winning coalition if they come to power.
- ▶ They could tell a supporter of the incumbent that they will include them in W , but when they come to power they might not be selected.

Incumbency Constraint

The incumbent pays coalition members only enough to beat the expected value offered by the challenger.

- ▶ How much should the incumbent offer a member of her W to prevent him from defecting to the challenger?
- ▶ Incumbent wants to find the minimum payment necessary.

Takes into account the risk potential defectors to the challenger face of being cut off from future private goods.

Loyalty Norm (W/S)

Loyalty is a function of W/S (the probability of being included in any future winning coalition).

- ▶ Loyalty weakens as the W/S increases:
 - ▶ Switching loyalty is neither risky nor costly if $W=S$.
 - ▶ As the coalition gets bigger, the value of **private** goods gets smaller (they are being spread out over more people).

Loyalty Norm (W/S)

When W/S is small, the loyalty norm is strong:

- ▶ The leader has many substitutes available for any member of the coalition.
- ▶ Threat that someone defects is low (they can't be certain they'll be included in the next coalition, so it is risky).
- ▶ Leaders spend little on public goods and lots on private goods because they must "buy" only a small number of people.

Loyalty Norm (W/S)

- ▶ As W gets bigger, distributing public goods becomes a **more efficient** way for a leader to retain the support of W (the leader is not more civic-minded!).
- ▶ More efficient because at a certain point the **marginal costs** of public goods are lower than private goods.

Survival of Leaders

- ▶ W/S (the loyalty norm) is the single biggest factor shaping a leader's survival prospects.

- ▶ W/S determines how much the leader has to spend to maintain coalition loyalty.

Survival of Leaders

W/S determines how much can be held back for the incumbent's **discretionary use**.

- ▶ When loyalty is weak (big W/S), more must be spent.
- ▶ When W/S is small, more money is retained under the leader's control.

→ Leaders in different institutions behave differently even though they want the same thing (to survive).

Survival of Leaders

Large W :

- ▶ Leader corruption harms her tenure (could have transferred funds to W).
- ▶ Difficult to stay in power because W/S is large, so for supporters the cost and risk of defection into the opponent's coalition are low.

Small W :

- ▶ Leaders that produce black markets and corruption survive best.
- ▶ Best survival prospects are when W/S is small (defection is risky and costly).

Relations with Other States

Relations with small- W leaders:

- ▶ Leader face few constraints in their policy choices.
- ▶ Leaders care less about successful foreign policy that enhances public goods.
- ▶ Foreign aid given to small- W countries less likely to be effective.
- ▶ Leader change leads to a new coalition and changes in policy.

Relations with Other States(2)

Relations with large- W leaders:

- ▶ High levels of cooperation.
- ▶ Stable relations.
- ▶ Leader change has little effect (coalition will look very similar to one in place before).

Selectorate Theory insights

Institutions shape policy choices of leaders.

- ▶ Public/private goods
- ▶ Leader survival
- ▶ W/S loyalty norm

Institutions shape how nations interact with the wider world.

- ▶ Large- W leaders need successful foreign policies.
- ▶ Small- W leaders need only to pay off supporters.

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