

# A study of triggering events

## When do political regimes change?

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Abstract: Political regimes are stable most years, but sometimes they *jump*. The stable years are periods in political status quo equilibrium. To break a status quo requires a triggering event. The paper is an attempt to identify and classify what close observers at the time thought were the triggering events in a sample of 262 larger regime changes between 1960 and 2015 in 170 countries. The sample consists of all changes in the *Polity index* with a numerical size above 3. The source for the triggering events is the relevant articles in *The Economist*. Triggering events are classified in a (2 x 2) table with four cells: (DP) *domestic political*, (DE) *domestic economic*, (XP) *external political*, and (XE) *external economic*, which remains empty. By far the most common is (DP), but the domestic political events proves to be very different. Thus, most jumps are exogenous in the perspective of development.

Keywords: Political system changes, triggering events, the Democratic Transition

Jel: D72, P16, P26

Note: This paper is a part of a project, notably Paldam and Gundlach (2018), but I have made it independently readable. I want to thank Erich Gundlach for many fruitful discussions and useful comments to the paper. I also want to thank the referees for their constructive comments. The paper was presented at the Political Economy of Democracy and Dictatorship 2018 Conference in Münster (Germany), and at the Meeting of the European Public Choice Society 2018 in Rome. I am grateful to the discussants. Tobias Moser has been a fine research assistant.

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## 1. Introduction: Are triggering events really random?

Political systems are normally stable. Spells of stability are highly variable, but on average they are about 15 years in our data. Thus, regimes have a strong tendency to develop status quo equilibria. To break an equilibrium requires a *triggering event*. A prior paper (Paldam and Gundlach 2018) studied system *changes*, and reached a positive and a negative result: We explained the size and direction of the larger changes – termed *jumps* – rather well, but we were largely unsuccessful in explaining *when* they occur.

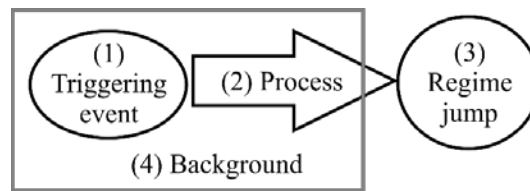
This paper deals with the negative result: A main step toward understanding when triggering events occur is to find out *what* these events are. I attempt to do so by making a *sample* of jumps and study what a group of *close observers* at the time thought were the triggering events for each jump. At the end of the paper, these events are classified in four cells: (DP) *domestic politics*, (DE) *domestic economics*, (XP) *external politics*, and (XE) *external economics*. A number of borderline cases that fit in several boxes appear, but I still find that most of the triggering events fall in cell (DP), and few events have to do with the economy (DE). I have found no case to count as (XE).

(i) The sample is reached from the first difference to the *Polity index* from 1960 to 2015. The index has 637 non-zero first differences that are the regime changes. They are divided into 375 smaller system *adjustments* and 262 *jumps*, which exceed a threshold of 3 points. Thus the sample is fully transparent, but the reader may wonder if it would have been different if I had used another political index. The Appendix considers Freedom House's FH-index, which picks about 20% fewer larger events, but only 3% new ones. The FH-index has more small changes, including a number of changes considered jumps in the Polity index.

(ii) The assessment of the triggering events is found in the historical archive of *The Economist*. Thus, the group of close observers are the journalists of this journal. For each jump the relevant article(s) in the historical archive of the journal was found. One of the key subjects in the articles is (nearly) always the reason for the jump, i.e., the triggering event.

Figure 1 illustrates how (1) a triggering event leads to (2) a *political process*, which may run for months, sometimes more than a year. Often, a number of additional events occur in that period, before the *regime jump* takes place. (4) *Background* conditions in the country count during the process. For obvious reasons of space, the background for the 262 system jumps cannot be covered within the space of an article.

Figure 1. The concepts used



Triggering events are a fraction of a much broader – but ill-defined – class of ‘events’. Our source registers 2½ events on average per jump, but there are surely more events not covered by the source. It has proven difficult to find out exactly how triggering events differ from other events. All political systems can absorb some events without changing, but the absorption may require a regime *adjustment*. I suspected that triggering events would be larger, but this is not confirmed by the data. Often, a similar event has occurred in a neighboring country, or even in the same country, without a regime change.

Three caveats should be stated: (i) It is always arguable that an event follows from something else. To make our quest manageable, it only covers what the said journalistic observers wrote was the triggering events. (ii) No attempt is made to explain why jumps are more common in some countries, see however Paldam (2019). (iii) The data used have weaknesses, and other data sets exist. The paper considers the weaknesses as random measurement errors, which should matter little as regards the *larger* events; see Appendix.<sup>2</sup>

Both the scoring of country regimes by the Polity-group, the journalistic coverage of the events by The Economist, and my coding of these events are judgmental. The Economist gives no authorship to the articles, so they are the joint responsibility of a group that, even though it changes over time, keeps some homogeneity. It is important that the two sources are institutionally independent and agree as to the jumps. The Economist covers all of the large jumps in the Polity index, except in three cases where the jump is only mentioned as one part of an international wave.

The paper proceeds as follows: Section 2 reports our prior findings that prompted this paper, and how they relate to the literature. Section 3 looks at the Polity data, while section 4 discusses classification problems in The Economist data. Section 5 joins the two sources and brings a list of the triggering events for the 262 regime jumps. Section 6 concludes.

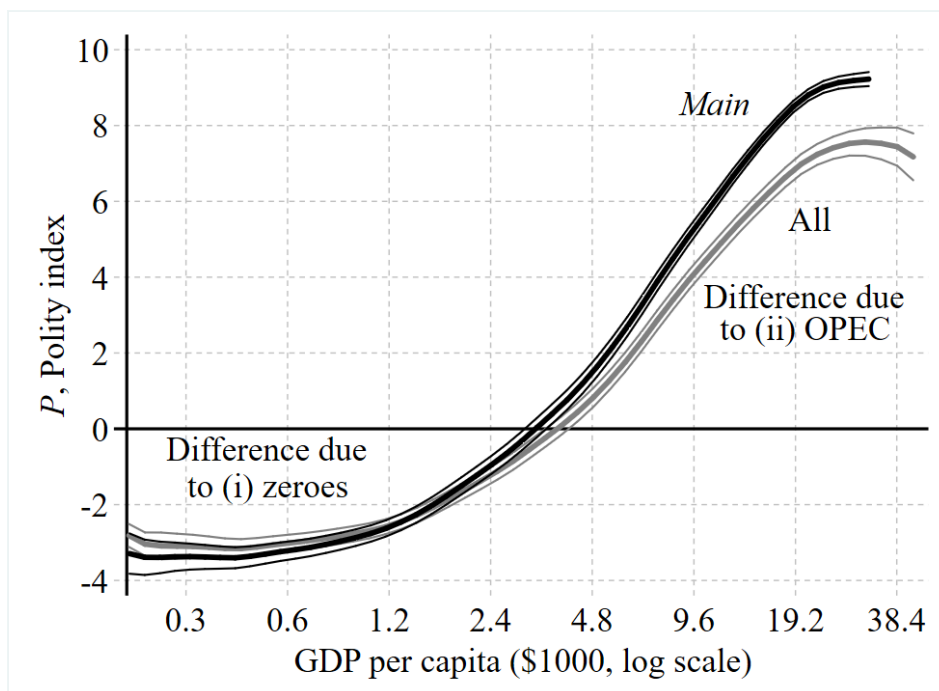
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2. The random measurement errors are likely to matter relatively more for the system adjustments, and they hence contribute to the fact that system adjustments are much more difficult to explain than jumps.

## 2 The literature and the point of departure

The literature in the field is large, and I have chosen a particular aspect to study. Section 2.2 delimits the study relative to the literature, and section 2.3 is a brief intro to prior research in the project, while section 2.4 is a note on the perennial problem of causality.

Figure 2. Kernel regression estimates of the transition curve



Note: The kernel regression with the bandwidth 0.5, for all data ( $N = 6,997$ ) and the *Main* group ( $N = 6,211$ ), reached after two data reductions: (i) The deletion of 237 zeroes has a small effect; (ii) The deletion of the 561 observations from the OPEC countries makes the top end higher. The curves are surrounded by 95% confidence intervals. Source: Paldam and Gundlach (2018).

### 2.1 The democratic transition

The democratic transition is the strong long-run connection between the political system and economic development shown on Figure 2. It shows the transition from kernel regressions on all the 6,997 observations for the Polity data from 1960 to 2015, where a corresponding income observation is available from the Maddison Project. The curve is flat (with a zero slope) at the two ends: the only political systems with long-run stability are the traditional systems and modern democracy. Countries above/below the transition curve have *too* much/little democracy. Gundlach and Paldam (2009) demonstrate that the main causal direction in the transition is from income to the political system.

## 2.2 *Three strands in the literature: (A), (B) and (C)*

The literature on political system changes is large and diverse, so it is important to delimit the angle covered. I do not try to contribute to the first two strands of the literature.

(A) *Historical studies* of individual countries cover the system jumps in a broader way and include much background about the country. They tell exiting stories that rarely generalize about intrigues of persons within ruling elites, and sometimes outsiders, and the events that allowed political actors to set system changes into motion. These events are often waves of demonstrations/riots. They may be explained by widespread grievances, which in many cases had built up over a long time. Due to the first mover disadvantage, it needed some random event to erupt, and once it did, it was difficult to stop. Also, there is euphoria in revolutions and the lure of utopia. The main problem of this literature is that it is much easier to tell a qualitative ex-post story than to make a quantitative ex-ante prediction.<sup>3</sup>

(B) Studies of particular *types of regimes*. While the start and end of the transition path generalize, the path from one end to the other differs among countries. Many studies have tried to find factors in the economic/political structure of countries that explain the differences. Some authors, such as Haggard and Kaufman (2012), study the relation between democratizations and the income distribution with rather mixed results.<sup>4</sup> Still others study the class structure or the power structure within the elite; see e.g., Menaldo and Albertus (2018). This literature is largely bypassed at present.

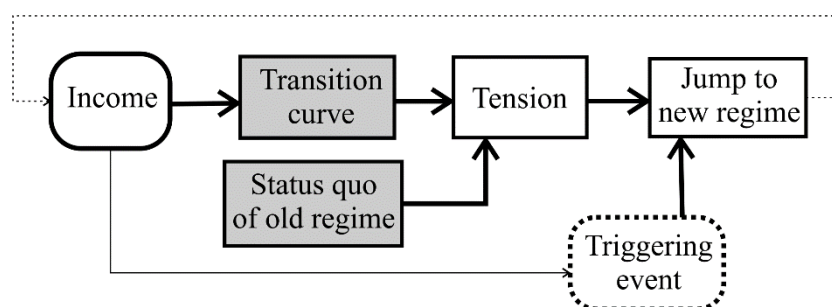
(C) *Statistical studies* of the relation between democracy indices and income. This literature is covered in Paldam and Gundlach (2018) that points to a main contradiction: The short- and long-run findings are inconsistent: In the *long run* the political system of a country is a function of its income, as shown on Figure 2. A short-run model should exist that aggregates to the transition curve, but from standard regression techniques the *short-run* connection is found to be fickle; see Acemoglu *et al.* (2008). We have generalized this result to a whole set of regression estimators, and argue that regression tools are wrong for the problem. Income (the log to GDP per capita) has a nearly linear path. Polity is a bounded, stepwise constant variable with sudden jumps that may be large relative to the range. Regressions are not meant to deal with the relation between such variables. Our new *jump model* deals with the contradiction, we distinguish between the triggering event and the resulting jump.

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3. Some papers try to overcome the ex-post problem by cliometric methods. Aidt and Franck (2015) is a fine example with many tests that cover the 3 years leading to the democratic reforms in the UK in 1832. The analysis tells a story that is unlikely to generalize to other democratic reforms.

4. Others discuss the importance of the cyclicity of democratizations and coups; see Thyne and Powell (2016) and Miller (2016). Paldam and Gundlach (2018) also find cyclicity, which is explained as overshooting.

Figure 3. A sketch of the jump model



Note: Bold arrows are the main causal links, while thin arrows are marginal. Income causes the transition curve. The difference between the old regime and the transition curve is the tension, which is a key determinant of the jumps caused by the triggering events that happen (almost) randomly. Income is exogenous, the old regime and the transition curve are predetermined. The thin arrow from income to triggering events is the negative result discussed in the text. Source: Paldam and Gundlach (2018).

### 2.3 The positive and the negative finding in Paldam and Gundlach (2018)

The positive finding is a new short-run jump model depicted on Figure 3. It uses the *tension* variable, which is defined as the difference between the initial policy score and the transition curve. The jump model starts with an (almost) random *triggering event* that breaks the short-run status quo equilibrium. Once this happens, it causes a jump, which is proportional with the tension, with a factor of proportionality of about 1.5. Thus, jumps tend to overshoot the transition curve, giving a slow zigzag pattern of adjustment.

The jump model says that the transition path acts as an attractor for the jumps that occur randomly seen in the relevant economic perspective. The model does not explain the small system changes below 4 Polity points. They represent system adjustments, such as those that often happen when e.g. one general replaces another in a military regime. However, for changes above 3 points, termed jumps, the tension variable provides a fine explanation.<sup>5</sup> As long as the triggering events are random, income is the only exogenous variable in the model, but income works through the transition curve that is a function of income. About half of the countries are above and the other half below the curve, so the reduced form relation from income to Polity is weak.

The *negative finding* occurred when we tried to explain a binary variable for the occurrence of triggering events by four variables: The income level, growth the previous year, growth the last five years, and the tension variable. These variables gave a joint marginal  $R^2$  of about 0.02, of which most was due to the income level.

5. The closest to our result is Treisman (2017), who argues that many steps toward democracy happened due to processes that were set into motion for all kinds of reasons.

## 2.4 *A note on causality*

In macro political economy, causality is a slippery concept. In a multi-period general equilibrium world everything depends on everything else, so nothing is truly exogenous. However, there is surely much that we cannot possibly know. So nobody believes that the world would be fully predictable, if we knew everything available. Unpredictable shocks do happen in many places throughout society. They are events with a large element of exogeneity relative to the framework of the analysis.

In his book about causality in economics from 1980, John Hicks wrote that 'it is quite proper to say that the unusual lack of balance between the sexes in the population of Britain in the nineteen-thirties was *caused* by the First World War.' He wrote this even when he surely knew that a number of books have been written about the complex causes for that war. After more than a century, this complex is still debated. However, the debates are irrelevant for those dealing with the British population in the thirties.

The paper finds that triggering events have a large element of exogeneity. Maybe a detailed historical study of each event would reveal a *deep* explanation, but our findings suggest that these explanations would differ from one case to the next. Also, the reader should keep the negative finding, just discussed, in mind.

## 3. **The Polity data and the sample of larger system changes**

The sample is made from the Polity-index, see Appendix for alternatives. Section 3.1 defines events and jumps, while section 3.2 tells the brief macro story contained in the Polity data. Section 3.3 compares discrete jumps and sequences, while section 3.4 shows the grievance hypothesis for system jumps.

### 3.1 *Changes in the Polity index*

The Polity index is  $P_{it}$ , where  $i$  is the country and  $t$  is the year.<sup>6</sup> Table 1 gives some counts of the data.  $P_{it}$  is an integer in the interval  $[-10, +10]$ , where a perfect autocracy as Saudi Arabia scores  $-10$ , and a perfect democracy as most Western countries scores  $+10$ . The score zero is used for anarchy, without a political system. The use of integers has two explanations:

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6. See Polity index in references. I use Polity2 and delete blanks and zeroes, i.e., periods under foreign domination and periods without a political system.

Table 1. Some counts of the Polity data, 1960-2015

Number Countries	Observations			Adjustments: $ \Delta P  \leq 3$		Jumps: $ \Delta P  > 3$		All jumps
	Available	Missing	Zeroes	Discrete	Sequence	Discrete	Sequence	
170	7,992	1,305	223	358	17	179	83	637

Notes: The data cover 170 countries, and the time span is the 56 years from 1960 to 2015, so ideally there should be  $170 \times 56 = 9,520 = 7,992 + 1,305 + 223$  observations. Missing observations are from dependent countries. Zeroes are for periods with anarchy, where the country has no political system.

(i) The  $P$ -index is judgmental, and there are limits to the precision of judgement. (ii) Political regimes are constant most of the time. Regime adjustments may escape registration – especially in autarchies, but the larger changes are unlikely to escape.

A triggering event occurs when  $\Delta P_{it} \neq 0$ . If  $|\Delta P_{it}| > 3$ , it is termed a jump. Changes to the same side in consecutive years are a *sequence*. It is coded as the sum of the changes, which is recoded to the first year. Most sequences are just two years, but a sequence may continue for even four years – most sequences are jumps. The jumps are in 113 countries, while 57 countries have no jumps. The group of stable countries includes almost all developed countries.

### 3.2 A macro-story told by three graphs of the Polity data

Table 2 gives some statistics for the triggering events and the jumps, while Figure 4 reports the number of countries from 1920 to 2015. It has a strong upward trend that tapers off in 1960 and becomes almost stationary after 1990. To balance our sample, it starts in 1960. The potential number of years covered is 56, but the average number of observations per country is 47.3 years, while the average number of countries is 142.7. Figures 5 and 6 are adjusted to an imputed number of 142.7 countries in all years.

Figure 5 shows the number of triggering events analyzed in the rest of the paper. This allows us to see that the frequency of the adjusted triggering events is trendless (Table 2), but it has a strong post-socialist peak with almost 100 extra jumps compared to the normal level.

Table 2. Some statistics for the annual number of triggering events and sum of jumps

Annual for 56 years	Triggering events (Figure 5)		Sum of jumps (Figure 6)	
	Number	Adjusted <sup>a)</sup>	Sum	Adjusted <sup>a)</sup>
Average	13.20	12.94	7.29	8.45
Std	4.92	4.27	23.49	23.14
Median	12	11.8	9.0	10
Trend	<b>1.01</b> (2.6)	0.029 (0.8)	<b>0.579</b> (3.2)	<b>0.576</b> (3.2)

Note: The trends are the coefficient on time in a simple regression. Parentheses hold t-ratios. The bolded trends are significant. (a) The adjustment is to 142.7 countries per year as on Figures 5 and 6.



Figure 4. The number of countries covered by the Polity data 1920-2015

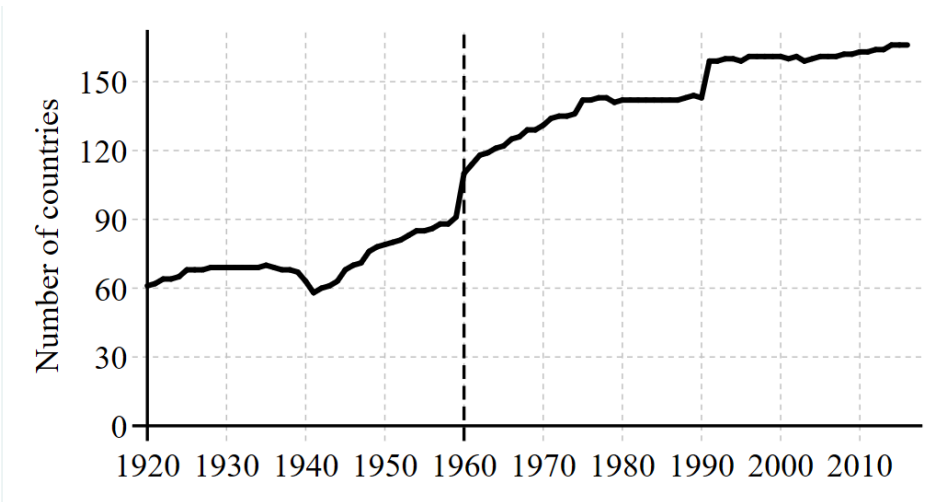


Figure 5. The number of triggering events per year, adjusted, 1960-2015

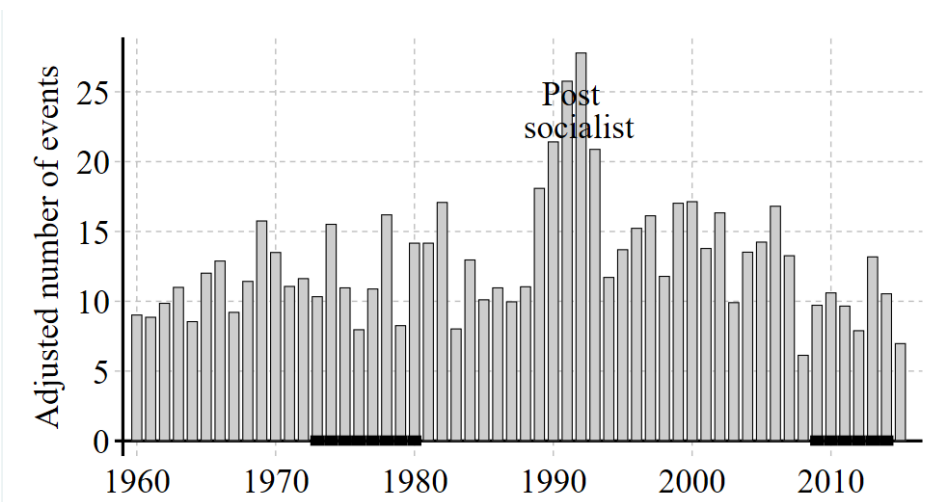
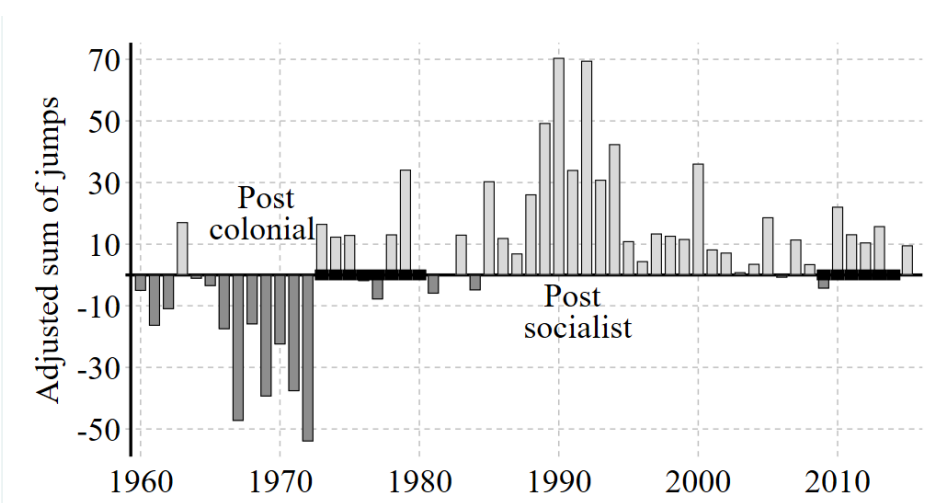


Figure 6. The annual sum of jumps, adjusted, 1960-2015



Note: The adjustment is to impute the number of countries to 142.7 countries for all years. The bold parts of the horizontal axis indicate the periods of the Oil Crisis and the Bank Crisis.

Figure 6 shows the sum of the jumps. As jumps may be positive or negative, many years have a small sum, though the standard deviation is large (Table 2). Since 1972, nearly all years have seen a positive value of the sum, so democracy is increasing. Two peaks appear:

The negative *post-colonial wave*, 1966/72: The colonial powers liberated many poor colonies in 1960 and gave them a constitution that was too democratic, i.e., above the transition curve. During the next 15 years, many of these countries saw one or more triggering events that caused negative regime jumps, i.e., towards less democracy. This was particularly relevant in the poorest continent, Africa.<sup>7</sup>

The positive *post-socialist wave*, 1989/93: The Polity index scores most socialist countries at  $-7$ . This is below the transition curve that starts at  $-3.5$  even for the poorest countries. Thus, socialist countries had too little democracy, so most post-socialist jumps were positive; see section 4.3.<sup>8</sup>

The two main international economic crises – the oil crisis in 1973/80 and the bank/debt crisis in 2009/14 – did not cause peaks in the data. If anything, they caused small drops in the frequency of regime jumps. This helps us understand why the (XE) cell in Table 7 is empty.

### 3.3 *The difference between discrete jumps and sequences*

Table 3 compares the discrete jumps and the sequences. While the standard deviations are roughly similar, the means are significantly different as shown by a t-test.

Table 3. A comparison of jumps: discrete vs sequences

Size of jump	Discrete		Sequences	
	Negative	Positive	Negative	Positive
4-5	16	25	8	8
6-7	11	12	1	11
8-9	15	17	3	9
10-11	13	21	1	13
12-13	12	10	1	6
14 up	14	13	5	17
Sum	81	98	19	64
Average	0.65		5.88	
Std	9.83		8.87	

t-test = 4.13 for equal means, rejects for  $p < 0.005\%$

Note: Numbers in the gray cells are in  $\Delta P$ -points, while the remaining numbers are counts of cases.

7. The negative jumps in (Sub-Saharan) Africa in the 1960s are: Senegal  $-6$  (1962/64), Congo (Br)  $-11$  (1963), Benin  $-9$  (1963/66), Congo (Ki)  $-6$  (1964/66), Burundi  $-4$  (1965/67) Nigeria  $-14$  (1966), Sierra Leone  $-13$  (1967), Uganda  $-13$  (1967), Somalia  $-14$  (1969), Equatorial Guinea  $-9$  (1969), Kenya  $-7$  (1969), Sudan  $-14$  (1969/72). This decade saw only two large positive jumps: Sudan  $+14$  (1965) and Sierra Leone  $+8$  (1968).

8. We have looked for other waves. The Arab Spring had a large effect in Tunisia only.

Jumps toward a more authoritarian regime are normally fast. A military coup typically takes one day, and the preparations are secret, for good reasons. Most coups are rather peaceful, and The Economist often reports that people first note that a coup has taken place when they wake up in the morning and see tanks in the streets.

Jumps towards democracy normally require a sequential process, which often has four steps: (i) A government of national conciliation is appointed; (ii) it proposes a new constitution, (iii) which has to be approved by a referendum, and then (iv) a general election takes place. This normally takes two years, but it may be as many as four years.

### 3.4 The grievance asymmetry for system changes

The literature on vote and popularity often finds a grievance asymmetry: A negative event causes a loss of government popularity that is about twice the gain the government obtains from a positive event of the same size (see Nannestad and Paldam 1994 and 1997).

Table 4. Number of events at different growth rates

		(c1)	(c2)	(c3)	(c4)	(c5)	(c6)	(c7)	(c8)
		Growth rates		Observations		Fraction	Binominal test (%)		Excess
		From	To	Events	All	(c3)/(c4)	(c5) $\geq x$	(c5) $\leq x$	events
Low	(r1)	$-\infty$	-6	61	343	0.178	<b>0</b>		31.9
	(r2)	-6	-2	81	565	0.143	<b>0</b>		33.0
	(r3)	-2	0	97	702	0.138	<b>0</b>		37.3
Avr	(r4)	0	2	107	1259	0.085	51.1	52.5	0.0
	(r5)	2	4	119	1404	0.085	52.6	51.1	-0.3
High	(r6)	4	6	80	905	0.088		67.0	3.1
	(r7)	6	8	29	424	0.068		12.6	-7.0
	(r8)	8	$\infty$	40	514	0.078		31.3	-3.7

Note: The gray cells are for average growth. They are used to calculate the normal frequency for events. It is:  $(107+119)/(1,259+1,404) = 0.085$ . Columns (c6) and (c7) report one-sided binominal tests for  $x = 0.085$ . Significant test results are bolded. The excess events are calculated as  $(c3) - x(c4)$ . The zeros in (c6) are p-values below 0.005%.

Table 4 shows that the grievance-hypothesis generalizes to regime jumps. It gives the number of events at each of eight intervals for the growth rate, with one lag. The gray area, in rows (r4) and (r5), represents normal growth.

The top panel, in rows (r1) to (r3), gives the effect of growth below average. Here, countries have too many events, as they should if the regime is held responsible for the poor growth performance. In all cells, the excess instability is significantly positive, but it only adds

to 102.2 of 1610 observations. This is 6.3%, so the effect is moderate.

The bottom panel, in rows (r6) to (r8), gives the effect of above-average growth. More than half are negative, as they should if the regime is rewarded for the good growth performance. However, the ‘excess’ stability only adds to  $-7.6$  of 1,843 observations, which is  $-0.4\%$ . The positive effect of high growth is small, and insignificant.

Thus, the grievance asymmetry is even larger for system stability than for government popularity.

## 4. The Economist data: Examples and criteria

This section gives a few well-known cases that fit into the four cells of the  $(2 \times 2)$ -table. The short stories given in sections 4.2 to 4.5 are parts of the systematic analysis given in section 5.

### 4.1 *The articles in The Economist*

The articles may be notes of one paragraph or articles of up to two pages. The latter describes some of the process leading to the change. If there is more than one month between the trigger and the eventual change, as is often the case, the story told is often quite complex, which makes it difficult to pinpoint the crucial event starting the process, and I have often coded more than one event. This is particularly true when there is a lull in the process. Fortunately, we only have to choose between the four cells: (DP), (DE), (XP), and (XE) in the end.

It is a strong impression when reading the app 270 articles that they deal with *domestic politics* in order to tell newsworthy stories. Even when the journal is called ‘The Economist’, it is obvious that the journalists writing the articles are concentrating on the stories and rarely discuss if the economy mattered, and maybe it did not, as suggested by the negative finding reported at the end of section 2.3, but it may be a reporting bias. Therefore, all cases where the economy or external events are mentioned have been coded.<sup>9</sup>

The journalists normally try to identify the triggering event. For reasons of space, the process leading to the change is only sketched, but one to two important events in the process are often mentioned. The process is conditional on background factors such as the strength of the regime, but such factors are not systematically included. In some cases, several similar events that did not lead to a jump occurred well before the triggering event. That a particular

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9. I have made a check of the coding of the countries, using Wikipedia that brings 1-2 pages on the modern history of each countries. A few coding errors were found. However, I am glad to say that the sources agree surprisingly well, both as regards when larger changes happened, and as to their explanation.

event became the trigger may be due to something that went wrong in the process, or to background changes weakening the regime.

A well-organized political regime can absorb even large popular demonstrations and riots. In France  $P$  stayed constant during the large wave of demonstrations and strikes of 1968,<sup>10</sup> and the French voters reelected President de Gaulle after the demonstrations were over. One year later, however, he lost a constitutional reform referendum and resigned. In the same way, the military dictatorship of President Pinochet (in Chile) absorbed the large wave of popular unrest in connection with the breakdown of the fixed exchange rate policy in 1982/83.<sup>11</sup> He resigned peacefully in 1988 after narrowly losing a plebiscite on the extension of this rule.

Some of the crises that caused a system jump have a complex history of economic and political interaction – here the choice of the triggering event is difficult.

Think of Argentina in the two decades from 1965 to 85, where the regime experienced four large jumps.<sup>12</sup> The country has a long history of unrealistic economic policies fueled by populism. In the two decades mentioned, the country experienced the return and subsequent death of Juan Peron, the Dirty (civil) War, repeated waves of high inflation, several military coups, and the lost Falkland War with the UK, and later it led to a default on the national debt; see Tanzi (2018) for a fine survey. These events did follow from each other, but it is impossible to claim that everything was endogenous, so that the tragic path of events was inevitable given the state of the country in 1965. The Economist does, in fact, identify triggering events for all four jumps – it is actually quite easy in three of the four cases.

#### 4.2 *The (DP) domestic political cell: Four cases of countries joining the West*

Portugal, Spain, Taiwan and South Korea are countries that first had a strong economic development and then experienced a system jump after the death of the old dictator. Figure 7 shows where the triggering events happened relative to the economic development. The death caused a process to start, during which popular pressures emerged. In these cases, the jump seems to be unconnected to short-run economic development. Therefore, the triggering events are classified as domestic and political.

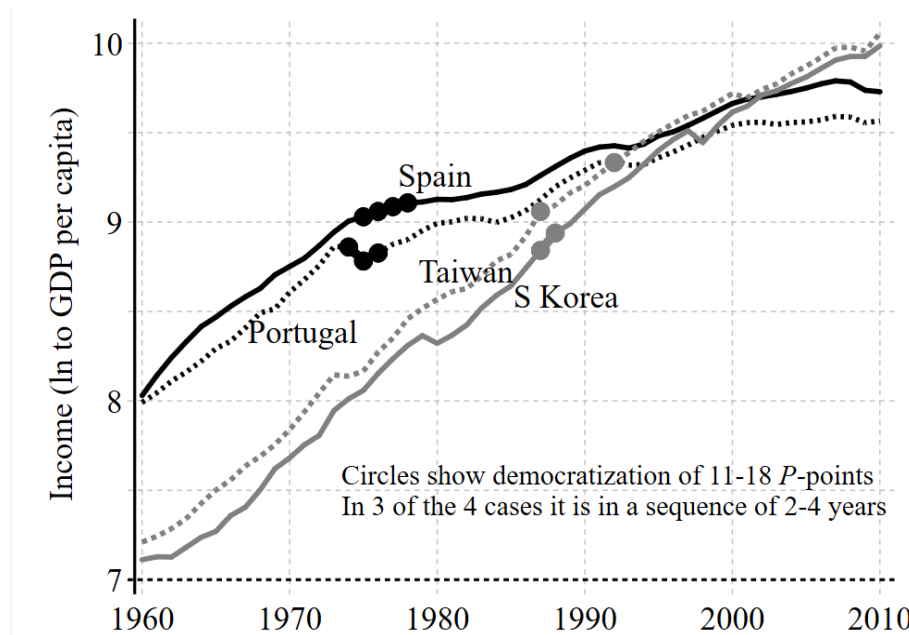
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10. The events of 1968 in France are examples of large scale demonstrations/riots that were caused by a wave of utopian beliefs that came and went away for no concrete reason, see section 5.1.

11. The fixing of the peso-rate to the US \$ was an attempt to eradicate the high residual inflation after the big inflation 1972-75 was stopped by standard monetary means. The policy had large costs, but inflation did decrease.

12. As usual, the large jumps were of a cyclical nature: -8 (1966), +15 (1973), -15 (1976) and +16 (1983).

Figure 7. Four cases of countries that have joined the group of wealthy countries



Note: The increases in  $P$ -points are: (i) 1974-76 in Portugal 18 points; (ii) 1975-78 in Spain 16 points; (iii) 1987-88 in South Korea 11 points; and (iv) 1987 and 1992 in Taiwan 14 points, which is treated as two jumps.

When the jump occurred, the countries had reached an income level of  $y \approx 9 \pm 0.5$ , which is less than one log point from the USA. The four countries all had large positive tensions (*too little democracy*), with  $P$ -scores well below the transition curve when the jumps occurred, and the jumps reduced the tension. In two of the cases – Portugal and Spain – the jump overshot the curve, which made the countries *too democratic* for a while until income caught up.<sup>13</sup>

#### 4.3 The (XP) external political cell: The post-socialist wave

The data contains nine old socialist countries that left socialism and became 28 countries. Table 5 is a condensed version of the process of their regime jump.

A great many articles in *The Economist* cover the collapse of socialism, and it is, of course, also covered by a large literature (incl. Paldam 2002). The key event was that the Communist Party of the USSR ‘imploded’ during 1988/89 due to domestic political events. With a large reduction in central power, a process started that spread throughout the socialist world, both in the countries under Soviet patronage, and in Yugoslavia and Albania that were outside the Soviet sphere. It involved large popular demonstrations in most countries, and a few years later it caused a serious economic setback.

13. The changes in Portugal and Spain happened in overlapping years, and so did the changes in South Korea and Taiwan. Even when this suggests spatial effects, our source does not cover the spatial dimension.

Table 5. The jumps 1988-92 in the 28 countries – most changes have one big jump

Country	Jump/sequence	Country	Jump/sequence	Country	Jump/sequence
USSR, 1989, $P = -4$		Kazakhstan	1, stable	Countries created (long) before 1988	
Lithuania	14, stable	Kirgizstan	1, fairly stable	Hungary	17, stable
Latvia	12, stable	Tajikistan	2, unstable	Mongolia	16, stable
Armenia	11, unstable	Turkmenistan	-4, stable	Bulgaria	15, stable
Belarus	11, unstable	Uzbekistan	-5, stable	Poland	15, fairly stable
Estonia	10, fairly stable	Yugoslavia, 1988, $P = -5$		Czechoslovakia	15, stable
Ukraine	10, fairly unstable	Slovenia	15, stable	Czech Republic	Stable since 1993
Moldova	9, fairly stable	Macedonia	11, fairly stable	Slovak Republic	Stable since 1993
Russia	9, unstable	Croatia	2, unstable	Albania	14, fairly stable
Georgia	8, fairly stable	Serbia	0, unstable	Romania	13, fairly stable
Azerbaijan	1, unstable and back	Montenegro	Stable since 2006		

Note a) In 1993 Czechoslovakia broke into two countries. The two big countries of Ex-Yugoslavia, Croatia and Serbia, had their democratization in 1999/2000 after the wars between Serbia and Croatia and in Bosnia and Kosovo were finally over. Montenegro broke with Serbia in 2006. Armenia has seen a major zigzag in 1995-1998. Finally, Azerbaijan has gradually turned more authoritarian. In addition to the countries listed, various small countries, which are not internationally recognized, exist.  $P = 0$  in 1990 for USSR as it was a rather chaotic year.

The initial triggering event for all the large jumps listed in Table 5 is thus a political shock that came from the center and spread throughout the socialist world. Only a few East Asian Communist countries and Cuba managed to protect their regime against the political wave. All the European (or near-European) countries saw large jumps toward democracy, and only a few jumped back later on, while the five poor central Asian countries and Azerbaijan, listed at the end of the new Ex-USSR group, stayed authoritarian. The events are classified as external political shocks, except in Russia, where it was a domestic political shock.

It is reasonably clear what happened in the cases covered by Table 6, but it is less clear what went on in the countries that were far from the USSR. Congo (Brazzaville) and Nicaragua are such cases. From 1963 Congo (Br) was the People's Republic of the Congo, which was a one-party country with a Marxist-Leninist ideology.<sup>14</sup> In 1990 the ideology and many policies were quickly changed, and a free election took place in 1991. The Economist article describes the new parties and the peacefulness of the process from the regime change to the election, but it does not mention the collapse of the socialist word.<sup>15</sup> Even more puzzling is the article about Nicaragua, where the Sandinista government allowed a free election in 1990. It did mention the economic chaos (that included hyperinflation and a debt burden of 10 times GDP), and it did mention pressures from the USA, but there is only a brief remark about the collapse of the

14. The two Congos have had several names: Congo (Br) was the Republic of Congo before 1963, then it became the Peoples Republic of the Congo until 1990, whereupon it returned to its old name. Congo (Ki) was the Democratic Republic of the Congo until 1971, then it became Zaire until 1997, when it reverted to its old name.

15. Here I could not resist deviating from the source and make the jump external political.

USSR in the last paragraph of the article.

#### 4.4 *The (DE) domestic economic cell: Reactions to economic mismanagement*

The coup in Chile in 1973 gave a jump of the Polity index of –13 points. Much has been written about the coup, and since it had a strong Left/Right dimension, rather different explanations have been given involving various conspiracies. It is clear that Allende's 'Unidad Popular' government had created both high hopes and a severe crisis due to utopian economic policies.<sup>16</sup> Real GDP was falling, and the inflation rate was fast approaching hyperinflation. This caused a major wave of demonstrations, and counter-demonstrations organized by the parties of the ruling block.

The coup-makers were the heads of the army, navy and air force, and the stated purpose of the coup was to save the nation from the economic chaos. There is no reason to believe that the coup-makers did not mean what they said, so the triggering event was the economic mismanagement of the democratically elected government, well in accordance with *The Economist*. Thus, it is classified as a domestic economic trigger.<sup>17</sup>

From our reading of the case-articles (and Figures 5 and 6 above), it appears that external economic events have caused no regime changes, so the (XE) cell has remained empty.

## 5. **The triggering events**

Table 6 shows the coding of the events reported to be 'causal' for the 262 jumps. On average, 2.5 such events are listed. They are amazingly diverse.

### 5.1 *The detailed count and the problematic element of exogeneity*

The format of *The Economist* demands that the stories are of a moderate size. Thus, the journalists have looked for the event they think is the start or an important part of the story. I interpret this as an attempt to identify events with an element of exogeneity, but, of course, the journalists do not attempt to say how large this element is.

Some of the events are (almost) fully exogenous in the context of the country, such as the wave of post-communist transitions outside of Russia. Almost 100 large changes happened

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16. Chile has many fine economists, but none of them were associated with the Allende government, which disliked economic theory in general and neo-classical theory in particular.

17. When Chile changed back to democracy in 1988/89 by a two-year sequence of two upward jumps of +5 and +9 polity-points, it was due to domestic political events.



during 1989-92 in connection with the collapse of the USSR. In some of these cases, the USSR (or Yugoslavia) was the protector of the government that collapsed without the protection. In other cases, the USSR was a distant supporter, and the government of the country decided that it had to adopt to the new world order. Thus, the period 1988-92 saw a large wave of widespread ideas and beliefs: socialism went out of fashion.

Other such waves have happened, like in the revolutionary year of 1848, the youth revolution of 1968, and the (failed) Arab Spring of 2010. They are difficult to handle in a systematic analysis, as the mysterious concept of *zeitgeist* is an important part of the story. Other demonstrations/riots might have a more limited element of exogeneity.

Also, sometimes a government decides to take a (major) step towards or away from democracy, in both cases there must be some reasons, but the inside stories of these reasons are typically not well known, so in our perspective they are exogenous.

Table 6. Types of events mentioned as important for the 262 jumps

	Countries	113
	Jumps	262
	Of which sequences	83
Domestic political	Demonstrations/riots	69
	Fight within government	16
	Ruler takes steps toward democracy	93
	Ruler takes steps toward autocracy	46
	New constitution	41
	Collapse of policy	17
	Election unfree	51
	Election free	108
	Coup non violent	63
	Coup violent	19
	Natural death of ruler	11
	Murder of ruler	8
	Civil war won	10
	Civil war lost	3
	Peace accord ending civil war	8
Domestic economic	Negative growth	10
	High inflation	9
	Other	4
External political	Collapse of USSR and Yugoslavia	24
	Pressure incl. military from abroad	28
	War won	1
	War lost	7
External economic	International economic crisis	0
	Changes in commodity prices	0
Number of events	Average per jump 2.5	646

The data contains seven cases of a successful foreign military intervention made without a change of borders with the explicit purpose of changing a political system. In these cases the intervention was caused by the domestic situation, notably by the bad human rights situation, but once again, in none of the cases it was a sudden deterioration.<sup>18</sup> Vietnam's invasion of Cambodia did oust the regime of the Khmer Rouge, but only after it had killed about 20% of the population, and the excuse for the invasion was some border incidents.

Most coup-makers issue a proclamation after they have occupied the national broadcasting center. This proclamation may reflect what the coup-makers think, but it is normally a great deal loftier than the actual goals of new men in power. It never says that the coup-makers have used a lucky situation to conquer the gravy train! The articles in *The Economist* often give the announced motives and some speculation about the true motives, where a gap seems obvious. The most common declared motive is to reduce the wheeling and dealing of corrupt politicians. It is part of the military ethos that officers are upright and honest. Such declarations are domestic/political in nature. However, if the motive is declared to be the economic crisis and the country does have a crisis, the jump has an economic trigger.

Often, *The Economist* mentions that the triggering events happened due to an unsatisfactory economic development, but then it has typically lasted for a long time. It is common that economists note that the gradual slowing down of growth in the USSR may have had a causal relation to the big collapse, but here the process took about 20 years before the actual collapse that lasted only 2-3 years.

None of the stories claim that external economic events are important for the jump. They are rarely mentioned, neither in 1973/80, where commodity prices exhibited dramatic swings, nor in 2009/14 during the international banking/debt crisis. The copper-price drop after the Vietnam War did affect the economic development of Zambia and Chile, but it appears to have had no influence on the regimes in the two countries.

The key observation from Table 6 is the diversity of the triggering events found. It is easy to further subdivide the list – triggering events are most diverse.

## 5.2 *The summary table*

Table 7 reports the final count in the four cells (DP), (DE), (XP), and (XE). If the chain of

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18. France (2), Tanzania (1), the USA (3) and Vietnam (1) made the foreign military interventions. In addition, some foreign interference took place in 3-4 cases where it is unclear if it was crucial. Finally, there are 3-4 cases where foreign mercenaries were involved. They may have worked for or with a state agency in their country of origin (see [https://en.wikipedia.org/wiki/Bob\\_Denard](https://en.wikipedia.org/wiki/Bob_Denard)).

events going from the triggering event to the jump is within the domestic political sphere, as is often the case, there is no doubt that the triggering event is in cell (DP).

Table 7. The 262 triggering events

	Political	Economic
Domestic	215	11
External	40	0

As mentioned, I started my quest from the theory of the democratic transition, notably the short-run jump model on Figure 3, and looked for economic factors in the political transition. The model claimed that triggering events are largely random. Tables 6 and 7 provide strong additional evidence of the unpredictability of such events. The large majority of the events are political, and though they may have some long-run relation to the economy, the connection is certainly not strong and direct.

Thus, seen from the perspective of our model and development in general, it is clear that triggering events should be treated as largely random.

## 6. Conclusion

The paper looks at 262 larger political system changes in 170 countries between 1960 and 2015. Our two sources – the Polity index and The Economist – agree that these changes occurred. The paper has attempted to identify – within broad classes – what the triggering event was in the 262 cases, using the relevant articles in The Economist in the identification. This is a narrow source, but it is available throughout in a fairly consistent way, and the format of the journal forces the journalists to concentrate on the important events.

The triggering events vary quite a lot, and they often enter into a complex process with more events. Our sources are thin on some changes. In a few small countries, such as Burundi, military coups are (relatively) common, and they are barely covered. Other countries, such as Chile, have seen only one coup, which is covered by a handful of articles.

Still, one strong conclusion can be drawn: Seen from the perspective of economics, triggering events are largely random. Previous work has demonstrated that once a triggering event occurs, the path of the Democratic Transition is an attractor for the resulting jump. This is why the transition curve is so strong in the long-run data.

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## **Appendix: Is the sample of larger regime changes a good sample?**

The sample of larger regime changes is all changes over the threshold of three points in the Polity index from 1960 to 2015, as explained. The threshold is chosen according to the jump model in Figure 3. Within these frames, the sample is transparent and complete.

Other political regime indices exist. Some are binary, but others have a scale allowing a selection of the larger changes. The alternative indices give alternative samples. Most large changes would surely be included in all samples, but some Polity jumps would have been excluded, and some extra jumps would have been included. As long as these changes are random relatively to Table 6, it would not have influenced the result.

One alternative index is the Freedom House *FH-index*. To see if the sample is robust, I have repeated the exercise with the FH-index. It starts in 1972 and has two parts: Political Rights and Civil Liberties, where I use the average. Both parts use an integer scale from 7 for the least democratic to 1 for the most democratic countries. Thus, the scale is falling when democracy increases. The FH-index does not include the categories of anarchy and foreign intervention. The FH-index was started for a period that overlapped two years, but then the overlap changed until it became a calendar year, and in the process, one year was lost. This is very visible when the larger events are matched, but it is easy to control for. As general characterization, the FH-Index has more small events and more sequences. The closest matching to a Polity change of 4 points is a FH change of 1½ point.

The two indices are matched for 169 countries from 1973 to 2015. For 127 countries both indices points to the same larger events. In data for the last 42 countries there are some differences. Polity typically has larger changes, i.e., more changes pass the threshold. An example is the events in Myanmar since 2014, which Polity counts as a large move towards democracy (+11 points) while Freedom House only reports a small adjustment (-½). There is about 20 such cases. The difference in the sizes of the changes are especially large since 2010 and explains why the FH-index shows falling democracy since 2010 while the P-index has no such fall. By my assessment, the FH misses about 20% larger changes while Polity misses only 3% of the larger changes. A few countries are treated really differently, notably Bangladesh, Cambodia, Congo (Kinshasa), Guyana, Haiti and Pakistan. It is clear that such measurement contains error. It appears that the missing cases are randomly distributed across Table 6.