



Political repression in autocratic regimes



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ARTICLE INFO

Article history:

Received 8 October 2016

Accepted 2 November 2016

Available online 5 November 2016

JEL classification:

D74

P48

Q34

Keywords:

Authoritarian regimes

Repression

Natural resources

ABSTRACT

Bove, Vincenzo, Platteau, Jean-Philippe, and Sekeris, Petros G.—Political repression in autocratic regimes

Theoretical models on autocracies have long grappled with how to characterize and analyze state sponsorship of repression. Moreover, much of the existing formal literature sees dictators' behavior as determined by one type of opposition actor alone and disregards the potential role played by other types of actors. We develop a contest model of political survival with a ruler, the elite and the opposition, and show how the ruler needs to respond to revolutionary pressures while securing the allegiance of his own supportive coalition. We find that the ruler's reliance on vertical and horizontal repression is anti-theretically affected by the country's wealth and the optimal bundle of vertical and horizontal repression has important consequences for the regime's political vulnerability. Our hypothesis about the impact of wealth on repression is strongly borne out by the empirical results, which are robust to endogeneity concerns. *Journal of Comparative Economics* 45 (2017) 410–428. University of Warwick, UK; University of Namur, Belgium; Montpellier Business School, France.

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1. Introduction

Dictatorship has been the prevalent system of governance historically and about one third of the world's countries are still ruled by autocrats. The lack of democratic accountability characterizing autocratic regimes does not equate to the polity descending into chaos; instead, by carefully balancing the degree of repression and co-optation, successful dictators manage to maintain peaceful polities that could abruptly plunge into violence when revolutions and military coups are attempted. Despite the volume of research on the strategies of autocratic regimes (Gehlbach et al., 2016), a number of questions are still debated. Why do some authoritarian governments favor widespread repression, while others seek to mollify popular dissent by permitting a range of civil rights? Why were some regimes betrayed by the institutions intended to protect them while in others the elite have so far remained loyal and have prevented a transition? To help addressing these important questions, we need to understand the rulers' strategies to prevent and/or mitigate the threats of popular mobilization as well as those emerging from actors within the ruling coalition. In this article we explore dictators' optimal strategies of political repression, by distinguishing vertical repression (i.e. against citizens) from horizontal repression (i.e. against elites) in settings where the ruler has the possibility of investing in productive public goods.

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In the quest to understand the strategies rulers use to stay in power, scholars have identified divide-and-rule strategies (e.g., Verdier et al., 2004; De Luca et al., 2014), power sharing and bargaining (e.g., Lizzeri and Persico, 2004; Morelli and Rohner, 2014), or even optimal succession rules (Konrad and Skaperdas, 2007; Konrad and Mui, forthcoming). The biggest emphasis in the literature, however, has been given to the cooptation–repression trade-off, whereby both elites and citizens benefit from favours and are subject to repression by the central regime. Indeed, to remain in power autocratic rulers ought to simultaneously contain two types of threats: one stemming from the citizenry at large and that can take the form of revolutions as exemplified by political upheavals in Tunisia (2011), Ukraine (2014), or Hong Kong (2014); and another coming from the elites who can stage military coups or provide the moral and financial support for successful revolutionary movements.

To contain the risk of popular revolutions, dictators invest in public goods and in means of coercion (Wintrobe, 1998; Gandhi and Przeworski, 2006; Desai et al., 2009; Besley and Persson, 2010; Boucekine et al., 2016). The typical view is that dissatisfied citizens face coordination problems that may hamper their capacity to successfully stage revolutions. In such settings, the quality and quantity of information and communication enables citizens to better coordinate their actions (Acemoglu and Robinson, 2001; Ellis and Fender, 2010; Sharmehr and Bernhardt, 2011; Edmond, 2013). Seldom, however, have spontaneous revolutions been successful without the active support, or at least the consent of key ruling elites.

Elites control the fates of the dictator, and statistically most dictators were overthrown by members of their inner circle rather than popular uprisings; by one estimate (i.e., Svobik, 2009), out of 303 authoritarian rulers, 205 (68 percent) were deposed by a coup between 1945 and 2002. The elite can have incentives to depose the ruler¹ for four main reasons. First, economic or political changes may make democracy more profitable for the elites.² Second, elites may support democracy as a compromise to avoid costly revolutions (Robinson and Acemoglu, 2006). Third, in anticipation of pro-democracy social movements, elites may have incentives to depose the autocrat (Svobik, 2013; Gilli and Li, 2015). Fourth, elites may have incentives in contesting the dictator in the hope of occupying power themselves (Acemoglu et al., 2010; Konrad and Skaperdas, 2007; Konrad and Mui, forthcoming), or of obtaining more favours under another dictator (Sekeris, 2011).

From a political exchange perspective dictators usually try to buy-off the support of elites at large (North et al., 2009; Egorov and Sonin, 2011), or more specifically of economic (Montagnes and Wolton, 2016), religious (Auriol and Platteau, 2016), or military elites (Acemoglu et al., 2010), who all play a key role in the regime's stability. Cooptation serves multiple purposes all eventually consolidating the ruler's power: buying-off the support of elites may help the ruler screen the most ideological close supporters (Hollyer and Wantchekon, 2015), or the most productive elites (Montagnes and Wolton, 2016), it may incentivize coopted elites to convey less revolution-promoting information to the citizens (Guriev and Tresiman, 2015), or may reduce their willingness to openly confront the ruler via coups attempts (Acemoglu et al., 2010; Sekeris, 2011; Bove and Rivera, 2015). Since cooptation is costly, however, not all elites are included in the pool of beneficiaries, and a typical tool for the dictator to adjust the size of his clientele is to use purges. The literature on the optimal size of the ruling coalition (i.e. ruler and ruling elites) emphasizes the role of both static (Egorov and Sonin, 2011; Montagnes and Wolton, 2016) and dynamic considerations (Acemoglu et al., 2009; 2010; 2012; Bueno de Mesquita and Smith, 2015; Egorov and Sonin, 2015) in the purging process. In this article we consider a static framework.

While many political economy models of non-democracies consider two actors alone (ruler and opposition), a growing literature simultaneously considers the two types of opposition mentioned above: the elites and the citizens (Acemoglu et al., 2010; Bueno de Mesquita and Smith, 2015). The novelty of our paper lies in that we explicitly distinguish between the two types of repression, namely the vertical repression (i.e. against citizens), from the horizontal repression (i.e. against elites). Our model identifies the underlying forces explaining the optimal mix between citizens' coercion, purges of elites, and public goods. On the one hand, the elites ought to be compensated by the dictator, thus making it costly to maintain a large body of inner supporters. On the other hand, elites are useful to the ruler since they increase the grip of the ruler on the population, and therefore enhance his coercive ability. The dictator is thus facing a trade-off between purging the elites and thereby reducing their co-optation costs by having a smaller group of supporters on the one hand, and enhancing his coercive capacity on the population by reducing people's collective action capacity, on the other hand.

We demonstrate that in economies that are better shielded from the harm of conflict (i.e. more resilient), incentives to mount revolutions are heightened, and thus dictators are eager to coopt elites, which translates in lower purges, while also tempering revolutionary attempts by investing in public goods. This in turn enables us to explore the relation between economic wealth and state repression, and put forward a substantially different theoretical mechanism linking repression to wealth. Increasing the country's wealth (e.g. natural resources, development aid) incentivizes the ruler to reduce horizontal repression, while also expanding vertical repression. As the country becomes wealthier, citizens have higher incentives to oust the rent-seeking dictator. This in turn pushes the ruler to develop a stronger military apparatus to remain in power, while also attempting to secure a wider support from the elites, so as to reduce the citizenry's capacity to oppose the central power. This finding is consistent with recent empirical studies on repression (Acemoglu and Robinson, 2005), although the theoretical mechanism underpinning our result is substantially different from that typically mentioned in the literature. Whereas in the latter the ruler wants to contain the level of repression to avoid dissatisfying the population too much

¹ We use him/his here consistently instead of gender neutral language as dictators invariably tend to be men.

² This is because democracy, among other advantages, improves property rights protection (Gradstein, 2007), enhances human capital accumulation (Bourguignon and Verdier, 2000), or entails greater provision of public services to a fraction of the elites (Lizzeri and Persico, 2004). These papers also give references to a fast-growing field of research, only part of which can be referred to here.

and to preserve the capacity to tax the population at large, in our model more wealth translates into increased incentives for the population to mount a revolution to appropriate the riches. By reducing the horizontal repression of the elites, the dictator improves his vertical coercive capacity, thus improving the odds of retaining the extra riches. Interestingly, in our model revolutions are the result of a deliberate choice of the dictator not to repress the population beyond some “deterrent threshold”. Revolutions do not therefore result from the regime’s *inability* to repress dissent, but rather from his *unwillingness* to do so. Dictators may indeed find it profitable to sustain a (possibly low) risk of successful revolution if this is achieved by downsizing the body of supporting elites, thus implying economies in terms of co-optation rents not paid to the elites.

We then use a global dataset on natural resources, human right violations and purges, and find empirical support for these hypotheses. We focus on the archetypal natural resource, oil, and use two measures of wealth from newly released datasets on oil discoveries, in addition to classical measures of oil production, to break the classical simultaneity between violence and natural resources which has often made it difficult to identify a causal effect of oil on human right violations. The remaining of the article is organized as follows: [Section 2](#) explicitly models vertical and horizontal repression, while in [Section 3](#) we conduct comparative statics on the amount of resources in the economy. [Section 4](#) describes the data used to test our hypotheses, in particular our exogenous measures of natural resource boom, and our empirical strategy. [Section 5](#) presents our results and [Section 6](#) provides concluding remarks. An extension of the model that accommodates for public good provision is deferred to [Appendix B](#).

2. The model

2.1. The setting

We consider a setting featuring three actors, the ruler, the elites, and the masses. However, only the ruler and the masses are genuine actors who act strategically. In our setup, the ruler may face a revolutionary attempt by the masses. If a revolution is attempted, the people’s efficiency in opposing the government’s forces depends on their cooperation capacity, which is itself influenced by the support given by the elites to the rebellion.

The ruler who is in power manages the country’s wealth, Y assumed to be exogenous. This wealth can be used to (i) enhance vertical coercion by increasing the state’s repressive forces through military spending r ; (ii) enhance horizontal coercion of the elites by purging a portion p of them, thus reducing the cost of elite co-optation; (iii) invest in a public good g which increases citizens’ productivity, and thus their labour-wage $\omega(g)$; and (iv) enrich the ruler by retaining the residual wealth, $(Y - r - (1 - p)w - g)$, where w designates the (exogenous) per-capita bribe paid by the ruler to the elites whose total number is normalised to 1. Disregarding the mechanics of coordination problems among the masses, we assume that they are represented by a single decision-maker endowed with L units of time to allocate between earning a unit-wage of $\omega(g)$, and investing in revolutionary effort x . If a revolution is attempted by the masses, their revolutionary effort, x , maps into effective strength $l((1 - p)w)x$. The function $l((1 - p)w)$ therefore describes the effectiveness of a nominal amount of revolutionary effort, which depends on the capacity of the masses to organize collectively toward the purpose of contesting the regime. This mobilization capacity is an inverse function of the support of the elites to the ruler: the wider the ruler’s inner circle of supporters (i.e., the lower p) or the higher the individual payments to the elites (i.e., the higher w), the less efficient will the masses be in opposing the regime. By purging the elites, the ruler saves on co-optation costs, but at the same time he reduces his grip on the masses. We are thus assuming that the collective action capacity of the masses, $l((1 - p)w)$, is a decreasing function of the total number of coopted elites $(1 - p)$.³ Moreover, we assume that the marginal effect of a larger body of elites is decreasingly small. We therefore have: $l'(\cdot) < 0$ and $l''(\cdot) > 0$.

In order to make the problem analytically tractable, we need to impose an additional restriction that bears upon the shape of the relationship expressing l as a function of $(1 - p)$:

Assumption 1. $\epsilon_{l',1-p} > \epsilon_{l,1-p}$

We thus assume that the elasticity of the marginal efficiency of the opposition with respect to elite size, $(1 - p)$, is larger than the direct elasticity of this efficiency with respect to the size of elites. This implies that the mobilisation capacity of the masses is a decreasing and sufficiently convex function of the size of the elite group. In other words, the dampening effect of the regime’s horizontal support on the people’s ability to revolt must be sufficiently strong at the margin.

Lastly, we denote by ϕ the economy’s resilience to violence so that a share $(1 - \phi)$ of the economy’s wealth gets destroyed if a revolution is attempted.

If no revolution is attempted, the utility of the ruler is given by the following expression:

$$U = Y - (1 - p)w - r - g \quad (1)$$

And the utility of the people then equals:

$$u = (L - x)\omega(g) \quad (2)$$

³ While purges are typically conceived as a tool for rulers to eliminate threats, we are viewing the surviving purged elites as engines of the revolutionary movements. Notice also that we are adopting a very specific approach in modeling the effect of elites’ cooptation on the likelihood of popular revolt. Another equally important channel that has received significant weight in the literature is the informational one (Sharmehr and Bernhardt, 2011; Edmond, 2013; Guriev and Tresiman, 2015).

Under a revolutionary attempt, the utility of the ruler and the utility of the people read, respectively, as:

$$V = \frac{r}{r + l((1 - p)w)x} \phi(Y - (1 - p)w - r - g) \tag{3}$$

$$v = \frac{l((1 - p)w)x}{r + l((1 - p)w)x} \phi(Y - (1 - p)w - r - g) + (L - x)\omega(g) \tag{4}$$

We are therefore assuming that the likelihood of either side being victorious when a revolution is attempted is described by a standard contest success function, augmented by the efficiency function $l((1 - p)w)$.⁴ As can be seen from these expressions, *vertical repression* modifies the players' payoffs in a direct manner since higher levels of repression reduce the amount of unspent rents, while directly improving the success probability of the ruler in case of a revolution. On the other hand, *horizontal repression* does so indirectly since the improved relative fighting capacity of the ruler in case of a revolutionary attempt works through the reduced combat efficiency of the people.

The timing of the game is sequential. The autocrat first decides the levels of horizontal and vertical repression, p and r , respectively, alongside with the amounts of public goods, g , and then the people decide whether or not to revolt, and how to allocate their time L between revolutionary effort x and work $L - x$. We solve for the game's subgame perfect Nash equilibria.

For expositional reasons we first treat the simplified version in which p (and hence $l((1 - p)w)$) and g , are assumed exogenous. We next solve for the model with endogenous purges, p . The full version of model with endogenous public goods, g , is relegated to [Appendix B](#).

2.2. Exogenous purges p and exogenous public good g

Since we consider both the purges and the public good to be exogenous in this section, this implies that the functions $l((1 - p)w)$ and $\omega(g)$ will be constant, and we therefore adopt the short notation l and ω , respectively.

In the game's last stage, the people maximize (4) w.r.t. x subject to $v(x) \geq u(x)$, which yields:

$$\frac{lr}{(r + lx)^2} \phi(Y - (1 - p)w - r - g) = \omega$$

The people's reaction function is therefore given by:

$$x(r) = \begin{cases} \left(\frac{r\phi(Y - (1 - p)w - r - g)}{l\omega} \right)^{1/2} - r/l & \text{if } x(r) > 0 \\ 0 & \text{otherwise} \end{cases} \tag{5}$$

As is common in the literature on contests, the people's incentives to invest in the revolution are an increasing function of the pie at stake $\phi(Y - (1 - p)w - r - g)$, and a decreasing function of the (opportunity) cost ω .

Replacing (5) in (4), simplifying and collecting terms, we deduce that the people's utility of rebelling is given by:

$$v(r) = \begin{cases} \phi \left[\phi(Y - (1 - p)w - r - g)^{1/2} - \left(\frac{r\omega}{l} \right)^{1/2} \right]^2 + L\omega & \text{if } r < \frac{l\phi}{\omega + l\phi} (Y - (1 - p)w - g) \\ L\omega & \text{otherwise} \end{cases} \tag{6}$$

In the first stage of the game, the autocrat decides the amount of vertical repression, given the following two potential (non-dominated) strategies:

1. *The deterrence strategy*, which consists in repressing the revolutionary attempts by deploying a sufficiently large force so that the people will not find it optimal to contest the autocracy. We denote the corresponding deterrence effort by r^d .
2. *The confrontation strategy* which consists in opting for violent confrontation, where power may be lost with a positive probability. We denote the corresponding repression effort by r^c .

The deterrence level is set in such a way that people are indifferent between contesting the autocrat, and taking their exit option. We thus have that r^d should set $v(r)$ as given by (6) equal to $u(r)$, and this is verified when r equals:

$$r^d = \frac{l\phi}{\omega + l\phi} (Y - (1 - p)w - g) \tag{7}$$

The deterrent level of vertical coercion behaves as expected since it is an increasing function of all the ingredients incentivizing the people to invest in higher revolutionary effort i.e., the pie at stake, the people's collective action capacity, and the (inverse of the) people's opportunity cost of rebelling.

⁴ We are therefore assuming that by choosing the amount of supporting elites, the ruler negatively influences the masses' efficiency in the contest for power, which is tantamount to allowing the ruler to *sabotage* the dissenters' capacity to oppose him. For a thorough literature on sabotage in contests see [Chowdhury and Gürtler \(2015\)](#).

Bearing (1) in mind, the utility obtained by the leader under *deterrence* therefore equals:

$$U^* = \frac{\omega}{\omega + l\phi} (Y - (1 - p)w - g) \tag{8}$$

Using (3) and (5), the utility of the ruler under *confrontation* comes out as:

$$V = \left(\frac{\omega r\phi(Y - (1 - p)w - r - g)}{l} \right)^{1/2} \quad \text{if } r < \frac{l\phi}{\omega + l\phi} (Y - (1 - p)w - g) \tag{9}$$

$$= Y - (1 - p)w - r - g \quad \text{otherwise} \tag{10}$$

The second possibility depicted by (10) corresponds to the *deterrence strategy* since, to put the people at their reservation utility ($= L\omega$), the ruler sets the repression effort, r^d , at the minimum level compatible with $v(\cdot) = u(\cdot)$, which is identical to the solution depicted by (7).

Bearing the above in mind, optimizing under the *confrontation strategy* yields:

$$r^c = \frac{Y - (1 - p)w - g}{2} \tag{11}$$

and the survival probability of the current autocrat at equilibrium, denoted by π , therefore equals:

$$\pi = \left(\frac{\omega}{l\phi} \right)^{\frac{1}{2}} \tag{12}$$

The associated condition for an interior confrontation level of vertical repression can now be written as $l\phi > \omega$, instead of $r < \frac{l\phi}{\omega + l\phi} (Y - (1 - p)w - g)$.

It is noticeable that the equilibrium level of repressive forces under the *confrontation strategy*, as given by (11) is independent of l , ϕ , and ω . The property follows from the fact that these three arguments influence the marginal benefit of vertical repression and its marginal cost in the same fashion. A higher resilience (ϕ), for instance, increases the incentives to repress since the pie at stake is now increased proportionally to ϕ , and at the same time it increases the cost in the exact same fashion since increasing repression expenditures linearly decreases the country's wealth. An equivalent argument applies to l and ω . This property will prove very helpful when we analyze the more complex case discussed in the next subsection.

We are now able to write the autocrat's indirect utility as follows:

$$V^* = \frac{1}{2} \left(\frac{\omega\phi}{l} \right)^{1/2} (Y - (1 - p)w - g) \tag{13}$$

Since we know that, when $l\phi \leq \omega$, the optimal strategy for the autocrat is always the *deterrence strategy*, it remains to verify whether the alternative *confrontation strategy* can be optimal when $l\phi > \omega$. To answer that question, we must compare V^* with U^* when $l\phi > \omega$. The *deterrence strategy* remains preferable if:

$$U^* \geq V^* \Leftrightarrow 2 \left(\frac{\omega l}{\phi} \right)^{1/2} \geq \omega + l\phi \tag{14}$$

Some basic algebra shows that Inequality (14) is verified for $l \in [l(\phi); \bar{l}(\phi)]$, where $l(\phi) = \frac{\omega}{\phi^3} (1 - (1 - \phi^2)^{1/2})^2$, and $\bar{l}(\phi) = \frac{\omega}{\phi^3} (1 + (1 - \phi^2)^{1/2})^2$. Having shown earlier that for $l\phi \leq \omega$ only the *deterrence strategy* can be implemented at equilibrium, to demonstrate that at equilibrium the ruler will pursue his *confrontation strategy* if and only if $l\phi > \omega$ it is thus sufficient to show that $\bar{l}(\phi) \geq \omega/\phi \geq l(\phi)$. The first inequality sums down to establishing that $\frac{1+(1-\phi^2)^{1/2}}{\phi} \geq 1$, and this condition is necessarily verified since $\phi \leq 1$. The second inequality is true if $\frac{1-(1-\phi^2)^{1/2}}{\phi} \leq 1$, which equally follows from $\phi \leq 1$. Combining these findings, we can then establish the following proposition:

Proposition 1. *When purges and public goods are exogenous, the deterrence strategy is the preferred option of the ruler if $l \leq \frac{\omega}{\phi^3} (1 + (1 - \phi^2)^{1/2})^2$. Otherwise the confrontation strategy is optimal.*

Proposition 1 states that the autocrat is more likely to suppress potential dissent when people face large collective action problems and when the economy is less resilient to violence. Fig. 1 helps visualizing the meaning of the proposition. On the x-axis we measure the economy's resilience to violence, while on the y-axis we represent the collective action ability of the masses in case of a revolutionary attempt. The downward sloping curve $\bar{l}(\phi)$ divides the parameter space in two regions, with repression being the outcome below the curve, and a revolutionary attempt above. The rectangular hyperbola $l\phi = \omega$ is another downward sloping curve shown in the figure, and we know that the *deterrence strategy* is always obtained below it while the *confrontation strategy* may occur above it. Having shown that $\bar{l} \geq \frac{\omega}{\phi}$, with equality in $\phi = 1$, then any point below the \bar{l} curve implies a deterrent equilibrium (shaded area). For low levels of resilience, deterring the masses from attempting a revolution is cheap since, irrespective of the revolution's outcome, much of the contested wealth will be

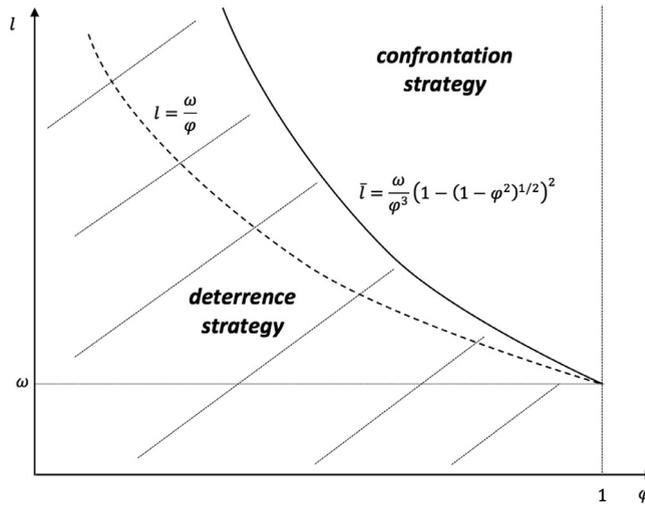


Fig. 1. Equilibrium outcomes with exogenous l .

destroyed. Moreover, destruction of wealth reduces the incentives for the autocrat to confront the dissenters, thus further inducing him to choose repression. Increasing the economy’s resilience therefore has the double revolution-promoting effect of making the *deterrence strategy* costlier, and increasing the payoff from revolution for both the ruler and the masses.

On the other hand, when the masses are ill-organized and face serious collective action problems, while repression is cheap, the odds of quelling the revolutionary attempt are high, therefore making both options attractive. When the collective action capacity is sufficiently low ($l \leq \omega/\phi$), if a revolution is attempted the small security forces deployed by the autocrat under the *deterrence strategy* will be sufficient to prompt the dissenters to reduce their revolutionary effort to nothing. As a consequence, they are effectively deterred or suppressed as an opposition movement. For higher collective action abilities, the cost of deterrence becomes proportionally higher than the optimal expenditures required to face a revolutionary attempt. Hence, while the probability that the autocrat remains in control of political power gradually declines as l becomes higher, putting his political survival at risk is preferred to spending a significant part of the budget in order to deter revolutionaries. The following corollary summarizes the findings regarding the equilibrium survival probability of the regime.

Corollary 1. For any $\tilde{\phi}$, there exists a unique \tilde{l} such that for any $(\phi, l) < (\tilde{\phi}, \tilde{l})$, $\pi = 1$, otherwise $\pi = \left(\frac{\omega}{l\phi}\right)^{1/2}$.

The proof of this Corollary follows directly from Proposition 1 which reveals the existence of threshold values of ϕ and l below which the *deterrence strategy* is the equilibrium strategy, that is, the regime is fully secure. More resilient economies (higher values of ϕ) and/or more efficient revolutionary movements (higher values of l) induce the autocrat to implement the *confrontation strategy*, in which case the survival probability of the regime monotonically decreases in both ϕ and l . The logic behind the effect of a change in l on π is immediate: more efficient revolutionary movements have better chances of ousting the ruler from power. As for the rationale underlying the effect of a change in ϕ , it is as follows. On the one hand, as damages inflicted on the economy are smaller in more resilient economies, revolutionaries are willing to invest more effort in their struggle against the regime. On the other hand, the optimal confrontation effort of the ruler is unaffected by ϕ because the economy’s resilience affects both the marginal benefit and the marginal cost of confrontation in a proportional manner. We can then deduce that, in more resilient polities that are less vulnerable to revolutionary attempts, the probability of winning is unambiguously higher for the masses.

Having described in a detailed manner the mechanics of the model when the ruler can only choose the level of vertical repression, it is easier to comprehend the more complete model with endogenous horizontal repression. We turn to this task next.

2.3. Endogenous purges p

We now allow the ruler to equally optimally select the amount of purges, in turn determining the people’s collective action $l((1 - p)w)$. Throughout we will use the short notation $l(p)$ to describe the collective action of the masses.

Under the *confrontation strategy*, we denote the optimal level of purges by P^* . This level of purges is obtained by optimizing the ruler’s utility, given by (13), with respect to p , conditional on $l(P^*) > \tilde{l}(\phi)$ (otherwise the outcome of the game is deterrence). The unconstrained optimization yields:

$$\frac{w}{2} \left(\frac{\omega\phi}{l(p)} \right)^{1/2} \left(\frac{l'(p)(Y - (1 - p)w - g)}{2l(p)} + 1 \right) = 0 \tag{15}$$

In [Appendix A.1](#), we verify that the problem is quasi-concave in p when [Assumption 1](#) is satisfied. This expression implicitly defines the optimal level of purges under the confrontation strategy, and is composed of two additive terms (two additive terms in the bracket multiplied by a factored term). The first term (marginal cost of purges) captures the effect of increased purges on the increased opposition capacity of the masses, which reduces the ruler's probability of retaining control of the country's wealth. The second term (marginal benefit of purges) captures the reduction in the pool of elites following a purge, which increases the country's wealth the ruler can have a claim on.

Re-arranging the above expression, the optimal level of purges under the *confrontation strategy*, P^* , is such that:

$$P^* : -\frac{l'(P^*)(Y - (1 - P^*)w - g)}{2l(P^*)} = 1 \quad \text{if } l(P^*) > \bar{l}(\phi) \tag{16}$$

$$P^* : l(P^*) = \bar{l}(\phi) \quad \text{otherwise} \tag{17}$$

To distinguish between the optimal purges under the *confrontation strategy*, and the corner solution of the problem, we denote by \hat{P} the level of purges satisfying [\(16\)](#) when disregarding the constraint. A useful lemma regarding this variable needs to be stated here:

Lemma 1. \hat{P} (and therefore $l(\hat{P})$) is independent of ϕ .

This follows from the fact that under the *confrontation strategy*, r is independent of ϕ and l . This property ensures that when ϕ is higher the cost decreases for both the ruler and the revolutionaries. To be more specific, $V(r, x, p; \phi, \omega, g)$, as given by [\(3\)](#), can be expressed as $\pi(r, x, p; \phi, \omega)\phi(Y - (1 - p)w - r - g)$. Optimizing w.r.t. r and re-arranging, we obtain $r + lx = \phi^{1/2}[rl(Y - (1 - p)w - r - g)]^{1/2}$, which means that the aggregate strength involved in rebellion is a multiplicative expression of ϕ . It follows that ϕ also enters in a multiplicative manner in $V(r, x, p; \phi, \omega)$, since $V = [r\omega(Y - (1 - p)w - r - g)]^{1/2}\phi^{1/2}$. Using the short notation $\chi(r(x), p; \omega, g)$ to designate all the elements that are independent from ϕ , we write $V(r(x), p; \phi, \omega, g) = \chi(r(x), p; \omega, g) \cdot \phi^{1/2}$, which implies that ϕ bears upon the utility level of the agents but not upon the optimal values of either r or p .

Under deterrence by the autocrat, differentiating U^* w.r.t. p yields the following expression:

$$\frac{\omega w}{(\omega + l(p)\phi)^2} ((Y - (1 - p)w - g)l'(p)\phi + \omega + l(p)\phi) \tag{18}$$

This problem admits an interior optimum. In [Appendix A.1](#), we show, indeed, that the function is quasi concave in p , so that when [\(18\)](#) is satisfied with equality, the second-order derivative is negative. The interpretation of the above expression is the same as under the *confrontation strategy*: the first term captures the marginal cost of purges (increase in the people's collective action capacity), and the second one (i.e. $\omega w(\omega + l(p)\phi)/(\omega + l(p)\phi)^2$) the marginal benefit of purges (reduction in cooptation cost of elites).

Because of the additional constraint that $l(p^*) \leq \bar{l}$, the optimal level of purges under the *deterrence strategy*, p^* , should satisfy:

$$p^* : -\frac{(Y - (1 - p^*)w - g)l'(p^*)\phi}{\omega + l(p^*)\phi} = 1 \quad \text{if } l(p^*) < \bar{l}(\phi) \tag{19}$$

$$p^* : l(p^*) = \bar{l}(\phi) \quad \text{otherwise} \tag{20}$$

As above, we designate by \hat{p} the unconstrained solution to [\(19\)](#).

To determine the equilibrium outcome of the game, in [Appendix A.3](#), we consider two different scenarios according to the values which $l(\hat{p})$ may take: $l(\hat{p}) \leq \omega$, or $l(\hat{p}) > \omega$.

When the parameter configuration is such that $l(\hat{p}) \leq \omega$, the unique equilibrium outcome for any parameter configuration compatible with this condition is repression. When the parameter configuration is such that $l(\hat{p}) > \omega$, then for low levels of resilience, the outcome is deterrence, while for higher levels of resilience the outcome is confrontation. For some parameter configurations, there may exist an intermediate range of ϕ values such that the autocrat is indifferent between the two strategies.

We can therefore state the following proposition:

Proposition 2. *If an economy is not very resilient to violence (ϕ is low), revolutionary movements are always suppressed (deterrence strategy). In resilient economies (ϕ is high), the autocrat may choose to use the confrontation strategy.*

The proof can be found in [Appendix A.3](#).

In [Fig. 2](#) we revisit [Fig. 1](#) by allowing the level of purges to be endogenous, and by assuming that $l(P^*) > 1$. Three curves are represented: $l(\hat{p})$, $l(\hat{P})$, and $\bar{l}(\phi)$. Remember that the latter corresponds to the frontier between the domains of repression and revolution, whereas the former two curves describe how the masses' collective action capacity evolves when the optimal level of purges is chosen by the autocrat under the unconstrained *deterrence strategy* and the unconstrained *confrontation strategy*, respectively.

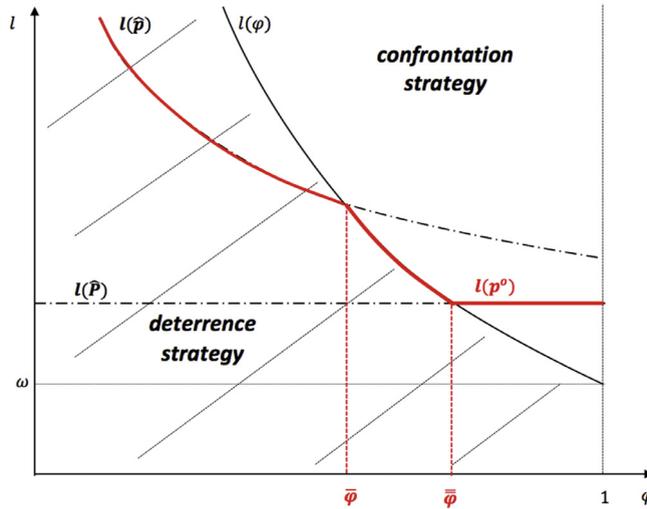


Fig. 2. Equilibrium outcomes with endogenous l : $l(P^*) > 1$.

Following Lemma 1, $l(\hat{p})$ is a horizontal line. Two intersection points matter for the analysis: one corresponding to the crossing of $l(\hat{p})$ and $\bar{l}(\phi)$, and the other to the crossing of $l(\hat{p})$ and $\bar{l}(\phi)$. The former intersection defines a first threshold, $\bar{\phi}$, and the latter a second threshold, $\tilde{\phi}$. As explained below, these elements allow us to depict the equilibrium locus $l(p^o(\phi))$ which indicates how the masses' collective action capacity changes as we vary parameter ϕ , via the effect of the optimal level of purges p^o . This function is represented by the bold kinked curve.

From Lemma 7 (Appendix A.3) we know that $\bar{\phi} < \tilde{\phi}$, as shown on Fig. 2. As a consequence of this, the outcome is deterrence for low levels of resilience to violence, while the outcome is confrontation for very resilient economies (see Appendix A.3 for the proof). The intuition behind this result is rather straightforward: incentives to mount a revolution are contained when the level of destruction is high, and this implies that the ruler can deter such movements at reduced cost. However, when revolutions do not affect the country's wealth much, the support of the elites becomes less essential, hence opening the way for more purges (i.e., $l(P(1)) \geq 1$). Lastly, there is an intermediate range of values of the parameter ϕ for which the optimal level of purges under the *confrontation strategy* would deter the revolution from occurring, while the level of purges under the *deterrence strategy* would be too low to yield such an effect. As a consequence, the level of purges of the elites is such that the autocrat is exactly indifferent between deterring a revolution and not deterring it.

As is evident from the two figures, the optimal degree of purges decreases (and, therefore, the masses' collective capacity also decreases) as the economy's resilience, ϕ , increases, up to a point above which the optimal degree of purges becomes constant.

A second corollary can now be stated concerning the equilibrium survival probability of the ruler in the full fledged model.

Corollary 2. *The equilibrium survival probability of the ruler is monotonically decreasing in the economy's resilience to violence.*

The proof of this Corollary follows directly from a combination of Proposition 2 and Eq. (12). For the same reasons as for Corollary 1, more resilient economies tend to increase the revolutionaries' incentives to combat the central regime, eventually improving their odds of ousting the ruler. Alternatively, economies that heavily rely on activities easily and deeply disrupted by violent conflict will tend to create more stable authoritarian regimes.

3. Modifying the wealth of the economy

We now explore the effect of modifying the country's wealth on the game's equilibrium in the specific case where the public goods are left exogenous.⁵

Changing the wealth level has no influence on the locus separating the opposition confrontation region from the opposition suppression region (bear in mind that \bar{l} is independent of Y). Indeed, if the prize at stake, $Y - (1 - p)w - g$, experiences an exogenous change, the incentives to deter or to confront dissenters remain unchanged because in both cases the ruler's equilibrium utility is linear in the prize. On the other hand, the optimal degree of purges under both regimes is affected by a change in Y . Rearranging (16) and applying the implicit function theorem yields:

$$\frac{\partial \hat{p}}{\partial Y} = \frac{l'}{w(l''(Y - (1 - \hat{p})w - g) + l')} < 0 \tag{21}$$

⁵ See Appendix B for the analysis with endogenous public goods.

The sign follows from the denominator of the expression being positive, as proven in [Appendix A.1](#).

Proceeding likewise with (19) gives:

$$\frac{\partial \hat{p}}{\partial Y} = \frac{l'}{wl''(Y - (1 - \hat{p})w - g)} < 0 \quad (22)$$

The sign follows from the denominator of the expression being positive since $l'' > 0$.

Lemma 2. *Horizontal repression is decreasing in the country's wealth*

Regarding the optimal vertical repression levels, upon inspection of expression (11) we can deduce that vertical repression increases with the country's wealth under confrontation if:

$$1 + \frac{l'}{l''(Y - (1 - p)w - g) + l'} > 0$$

Using the FOC of the problem, this expression is easily shown to hold true when Assumption 1 is satisfied.

Focusing next on the *deterrence* scenario, we begin by re-writing (19) as $\omega + l\phi = -l'\phi(Y - (1 - \hat{p})w - g)$. Replacing next in r^d as given by (7) yields $r^d = -l/l'$. Differentiating w.r.t. Y gives us:

$$\frac{\partial r^d}{\partial Y} = \frac{[l'l' - l'']w \frac{\partial \hat{p}}{\partial Y}}{(l')^2} > 0$$

With the sign following from the fact that the squared-bracketed term is negative because of Assumption 1. These findings allow us to enunciate the following result:

Lemma 3. *Vertical repression is increasing in the country's wealth*

Thanks to [Lemma 2](#), we can deduce that $\partial l(\hat{p})/\partial Y < 0$, and $\partial l(\hat{p})/\partial Y < 0$. These two results imply, respectively, that $\partial \bar{\phi}/\partial Y > 0$ and $\partial \bar{\phi}/\partial Y > 0$. In [Fig. 2](#), this means that an increase in Y is reflected in a downward shift of the curves $l(\hat{p}(\phi))$ and $l(\hat{p}(\phi))$. The locus of equilibria $l(p^o(\phi))$ is thus affected in such a way that the deterrence region is enlarged. We can therefore write the following proposition:

Proposition 3. *The wealthier an economy, the more an autocrat relies on vertical repression, the less on horizontal repression, and he is more likely to opt for deterrence than for confrontation. If his power remains contested despite the higher wealth, he is more likely to survive in power.*

The first part of [Proposition 3](#) is proven in [Appendix A.4](#). As for the second part, it is directly inferred from combining (21) and (22) with the fact that $\partial l/\partial p > 0$, and $\partial \pi^*/\partial l < 0$ as deduced from (12).

The intuition behind this result is of particular interest since it sheds new light on an old debate about the wealth-conflict nexus. When the country's wealth, Y , is more important, in accordance to the *greed* theory ([Collier and Hoeffler, 2004](#)) the incentives of the dissenters to mount a revolution increase, implying a greater willingness to invest in revolutionary efforts. Under both deterrence and confrontation, the autocrat will respond to the emboldened rebels by increasing vertical coercion. Moreover, as the opposition has become emboldened, the marginal return to military investment has become lower than the marginal return to cutting back on the purges, hence incentivizing the ruler to be more lenient towards the elites whose support has now become more essential. The combination of these two reactions on behalf of the ruler eventually implies that under the confrontation strategy the survival probability of the regime is now higher. Nevertheless, the *deterrence strategy* becomes comparatively more attractive. When the value of the prize is larger, the additional forces deployed by the autocrat are increasingly smaller because of the increasing reliance on a larger body of elites (i.e., the level of purges diminishes) and because of the decreasing marginal returns of the rebels' efforts in terms of the probability to win the war. The same reasoning applies to the scenario where a revolutionary attempt is being faced. Yet, although the same mechanism applies under both scenarios, a crucial distinction is that while in the former scenario the ruler retains control over the whole prize increase, in the latter this is true only in a probabilistic sense. Therefore, even though the marginal cost of the two moves is identical, the marginal benefit of deterrence outmatches the marginal benefit of confrontation.

This is an important point because it invites us to revisit the resources-conflict nexus. The initial view that has been made popular through the empirical results of [Collier and Hoeffler \(2004\)](#) is that the presence of a larger booty induces more conflict, a finding in line with the theoretical findings that larger stakes incentivize players to fight more fiercely over the prize (see [Garfinkel and Skaperdas', 2007](#) literature review). These empirical findings have been contested, however, since natural resources have been shown to have a pacifying effect through their positive effect on a country's state capacity ([Fearon and Laitin, 2003](#); [Besley and Persson, 2011](#)). Using more contemporaneous econometric techniques, [Tsui \(2011\)](#) presents evidence that oil discoveries make countries more authoritarian, and [Cotet and Tsui \(2013\)](#) demonstrate that when country fixed effects are included in cross-country analyses, oil discoveries increase military spendings - hence possibly coercion - in non-democratic regimes, without however increasing the risk of civil war.

By distinguishing the two types of repression at the disposal of autocratic rulers, vertical and horizontal repression, our setup uncovers some theoretical foundations reconciling the above seemingly contradictory findings. While an abundant empirical literature shows that resource-poor autocratic countries are more prone to civil conflict, no paper explores

the underlying mechanisms explaining this empirical regularity. In the next section we thus test the relation uncovered in [Proposition 3](#) tying economic wealth to vertical and horizontal repression.

4. Data and empirical model

Dependent variables

To empirically test our predictions regarding the effect of wealth on vertical and horizontal repression (i.e. [Proposition 3](#)), we first need to quantify two substantially different dependent variables. To measure vertical repression, one of our key dependent variables, we use the Political Terror Scale (PTS), the “most commonly used indicator of state violations of citizens’ physical integrity rights” ([Wood and Gibney, 2010](#), p.32). The PTS uses a five level coding scheme, assessed along three dimensions: scope i.e., the type of violence being carried out by the state such as imprisonment, torture, killing; intensity, i.e., the frequency with which the state employs a given type of abuse; and the range, i.e., the portion of the population targeted for abuse.⁶

To capture horizontal repression, we use the number of purges taken from the Arthur Banks Cross-National Times Series (CNTS) Data Archive. The Banks CNTS dataset provides count data on purges and is based upon information from the New York Times. Purges are defined as “any systematic elimination by jailing or execution of political opposition within the ranks of the regime or the opposition” ([Banks, 2008](#)). True, this indicator also includes violence against opposition outside the incumbent coalition. Yet, as far as we are aware, Banks’ data is the only available measure of repression against the members of the incumbent regime and it is therefore the best proxy at hand to capture rulers’ coercion against the internal elite opposition. This measure has been extensively used in recent studies on conflict, democratization and development (e.g., [Collier and Rohner, 2008](#); [Besley and Persson, 2011](#); [Burke, 2012](#); [Bank et al., 2013](#)).

Key explanatory variables

Our main regressor of interest is an indicator of the amount of resource wealth of the economy. As a baseline, following previous research on the same topic, we use per capita measures of oil exports from [Feenstra et al. \(2005\)](#), converted in constant 2005 US dollar;⁷ and information on the value of per capita rent from oil and gas (oil production less country-specific extraction costs) from [Ross \(2011\)](#). Although models using flow variables, i.e., fuel exports or production as a percentage of GDP, have been so far wildly used in empirical studies of repression (see [De Mesquita and Smith, 2009](#); [Conrad and De-Meritt, 2013](#)), they are likely to be contaminated by endogeneity ([Bulte and Brunnschweiler, 2009](#)): a correlation between repression and oil flows can arise, for instance, from the extraction of resources not being exogenous ([Cotet and Tsui, 2013](#)) or from causality running both ways when repression affects the productivity of the economy ([De Luca et al., 2015](#)). This makes the direction of causality between repression and resource revenues difficult to ascertain. To circumvent this issue, we use stock variables, in particular indicators for the known amount of oil reserves per capita (million barrels per 1000 persons) from [Cotet and Tsui \(2013\)](#). Oil reserves depend on geological features and previous exploration efforts. As such, they should not be affected by the level of political violence in a country, and hence less vulnerable to endogeneity concerns than flow variables.

More interestingly, however, we use a number of indicators of discovery of oil fields in a given country in a given year. The timing of oilfield discoveries is plausibly exogenous, at least in the short-medium run, as prospecting for oil is highly uncertain; moreover countries have little or no control over the size of such discoveries. Therefore we use information on the amount and value of new discoveries per capita from the Association for the Study of Peak Oil and Gas (ASPO), assembled by [Cotet and Tsui \(2013\)](#). The latter value is obtained by multiplying the amount of oil by the yearly crude oil price. To cross-check our results on oil discoveries, we use an alternative dataset on the discovery of (at least one) giant oil field by country and by year. Data are from [Horn \(2004\)](#) and have been employed in a recent study on the effect of giant oilfield discoveries on civil wars by [Lei and Michaels \(2014\)](#). Following their definition, a giant oilfield must contain at least 500 million barrels of oil equivalent. This is possibly a more exogenous source of variation in oil rent as finding a giant oilfield is unpredictable (see [Lei and Michaels, 2014](#)). We look at whether the size of a giant oilfield discovery (i.e., the estimated ultimate recoverable reserves) in a given country/year belongs to the first or second half of the distribution.

Other explanatory variables

We expect repression to be a negative function of the GDP, as wealthier countries are less likely to experience state-sponsored violence. Moreover, there is robust evidence that population size increases repression (e.g., [Poe and Tate, 1994](#)). We therefore include the GDP per capita, the GDP growth rate and the population size using figures from [Gleditsch \(2002\)](#). As discussed above, political instability is an important factor affecting the level of repression, so that we need to control for the presence of civil and international conflicts, using information from the Correlates of War project; we also control for the level of popular dissent, which is obtained by summing up the annual number of riots, anti-government protests and strikes drawn from [Banks \(2008\)](#).⁸ Moreover, since relatively more democratic institutions are less repressive, we include the Polity

⁶ Another widely used indicator is the CIRI physical integrity rights index. Yet, as [Wood and Gibney \(2010\)](#) point out, the CIRI index suffers from a number of limitations, such as inappropriate categorizations of the type of violations, that make the PTS index more transparent and suitable for our analysis. Moreover, the PTS has information from 1976, whereas the CIRI index is only available from 1981.

⁷ Similarly to [Lei and Michaels \(2014\)](#), this is constructed as the sum of exports in SITC Revision 2 categories 33 (Petroleum, petroleum products and related materials) and 34 (Gas, natural and manufactured).

⁸ General strikes are defined as any strike of 1000 or more industrial or service workers that involves more than one employer and that is aimed at national government policies or authority. Antigovernment demonstrations account for any peaceful public gathering of at least 100 people for the primary

Table 1

Vertical repression: oil production and reserves.

	OLS	OLS	OLS	Oprobit	Oprobit	Oprobit	Mundlak	Mundlak	Mundlak
L.Political Terror	0.646*** (0.030)	0.646*** (0.024)	0.628*** (0.028)	1.104*** (0.086)	1.125*** (0.068)	1.067*** (0.081)	1.070*** (0.084)	1.098*** (0.067)	1.029*** (0.079)
GDP per capita (log)	-0.058* (0.032)	-0.100*** (0.020)	-0.115*** (0.023)	-0.150* (0.082)	-0.249*** (0.053)	-0.305*** (0.065)	-0.520*** (0.179)	-0.572*** (0.115)	-0.612*** (0.179)
GDP growth rate	-0.003 (0.002)	-0.003* (0.002)	-0.004* (0.002)	-0.006 (0.004)	-0.006* (0.003)	-0.008* (0.005)	-0.006 (0.005)	-0.004 (0.003)	-0.007 (0.005)
Population (log)	0.042*** (0.013)	0.044*** (0.011)	0.029** (0.014)	0.112*** (0.034)	0.122*** (0.029)	0.090** (0.039)	-0.406 (0.479)	-0.709*** (0.231)	-0.991*** (0.328)
War	0.522*** (0.062)	0.444*** (0.051)	0.498*** (0.064)	1.019*** (0.121)	0.856*** (0.105)	0.929*** (0.135)	1.032*** (0.127)	0.858*** (0.108)	0.929*** (0.141)
Dissent	0.049*** (0.013)	0.056*** (0.010)	0.061*** (0.014)	0.094*** (0.023)	0.106*** (0.018)	0.114*** (0.026)	0.096*** (0.023)	0.109*** (0.018)	0.117*** (0.025)
Polity	-0.009 (0.006)	-0.006* (0.004)	-0.004 (0.004)	-0.025* (0.013)	-0.016* (0.009)	-0.011 (0.010)	-0.031* (0.017)	-0.023** (0.011)	-0.017 (0.011)
Trend	0.009*** (0.003)	0.009*** (0.003)	0.011*** (0.003)	0.023*** (0.007)	0.022*** (0.006)	0.027*** (0.008)	0.039*** (0.012)	0.045*** (0.008)	0.056*** (0.012)
Oil export (log)	0.003 (0.007)			-0.002 (0.017)			-0.006 (0.018)		
Oil & Gas rent		0.016** (0.007)			0.034** (0.016)			0.029* (0.017)	
Oil reserves (log)			0.694*** (0.230)			1.549** (0.625)			1.221** (0.581)
Observations	1092	1786	1261	1092	1786	1261	1092	1786	1261

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ Mundlak's model is an ordered probit with country means of all time-variant covariates (not shown). Standard errors are given in parentheses clustered by country

IV scale (Polity, 2012). Because we are interested in how resources affects repression in dictatorships, we restrict our sample to countries with a Polity score < 7 , following traditional studies on democratization and the conventional strategy within the democratic peace theory (e.g., Gleditsch and Ward, 2006). Finally, we include country-specific time trends to capture idiosyncratic variations over time, and, following similar studies by Davenport (2007) and Conrad and DeMeritt (2013), a lagged dependent variable to uncover inertia in a country's use of violence and address additional temporal dynamics. We control for group-wise heteroscedasticity and serial correlation by reporting robust standard errors clustered on countries. Our dataset includes a maximum of 119 dictatorships over the period 1981–2003, depending on the model, and therefore the availability of control variables. All positive and continuous explanatory variables are log-transformed to scale down the variance and reduce the effect of outliers. Table A.1 contains the summary statistics for our sample.

As the dependent variables are categorical, we use ordered probit models with random effects in addition to classical linear models. Note that the random effects model yields consistent and efficient estimates under the assumption of exogeneity of the covariates with respect to the country intercept. Yet, many covariates could be correlated with the country intercept. To relax this assumption, and allow for the endogeneity of the covariates with respect to the time-invariant country intercept, we also estimate random effect models which include the country (cluster) mean of the covariates *a la* (Mundlak, 1978).⁹ This model has many desirable features, as it obtains consistent estimates that are not influenced by the specification of the country intercept, while allowing for endogeneity of the covariates with respect to the time-invariant component of the error; moreover, it controls for all unobservable differences between countries, thus dealing with all country-specific characteristics that may affect repression and oil wealth at the same time; yet, as opposed to fixed effect models, it does not require us to exclude as non-informative all countries where we do not observe variation in the dependent variable (see Caballero, 2014, for a recent application and full discussion).

5. Results

We show our results in Tables 1–4. In Tables 1 and 2 the dependent variable is vertical repression, i.e., political terror, while in Tables 3 and 4 we use horizontal repression, i.e., purges. Moreover, while Tables 1 and 3 include flow variables and oil reserves, models in Tables 2 and 4 only incorporate measures of oilfield discoveries. We use throughout the tables linear models (OLS), ordered probit with random effect (Oprobit) and ordered probit with random effect *a la* Mundlak's (1978). Starting with vertical repression (Tables 1 and 2), the results with respect to country-specific variables are largely consistent with expectations and previous studies on government repression. The level of economic development and the

purpose of displaying or voicing their opposition to government policies or authority, excluding demonstrations of a distinctly anti-foreign nature. Riots refer to any violent demonstration or clash of more than 100 citizens involving the use of physical force.

⁹ The correlation between the random intercept α_i and the observed characteristics x_{it} is allowed by assuming a relationship of the form $\alpha_i = \bar{x}_i/a + \epsilon_i$ with ϵ_i independent of \bar{x}_i . The unobserved heterogeneity is divided into within and between components, which weakens the assumption that random effects must be uncorrelated with the covariates.

Table 2

Vertical repression: oil discoveries.

	OLS	OLS	OLS	Oprobit	Oprobit	Oprobit	Mundlak	Mundlak	Mundlak
L.Political Terror	0.636*** (0.028)	0.636*** (0.028)	0.650*** (0.024)	1.079*** (0.082)	1.079*** (0.081)	1.127*** (0.068)	1.032*** (0.079)	1.032*** (0.079)	1.097*** (0.067)
GDP per capita (log)	-0.091*** (0.021)	-0.091*** (0.021)	-0.073*** (0.017)	-0.252*** (0.057)	-0.251*** (0.057)	-0.192*** (0.046)	-0.649*** (0.176)	-0.648*** (0.176)	-0.577*** (0.116)
GDP growth rate	-0.005** (0.002)	-0.005** (0.002)	-0.003* (0.002)	-0.009* (0.005)	-0.009* (0.005)	-0.006* (0.003)	-0.008 (0.005)	-0.008 (0.005)	-0.004 (0.003)
Population (log)	0.032** (0.014)	0.032** (0.014)	0.048*** (0.011)	0.100** (0.039)	0.101** (0.039)	0.133*** (0.030)	-0.974*** (0.325)	-0.974*** (0.325)	-0.672*** (0.228)
War	0.498*** (0.063)	0.498*** (0.063)	0.443*** (0.051)	0.927*** (0.131)	0.927*** (0.131)	0.854*** (0.104)	0.932*** (0.140)	0.932*** (0.140)	0.859*** (0.108)
Dissent	0.060*** (0.014)	0.060*** (0.014)	0.054*** (0.010)	0.112*** (0.026)	0.112*** (0.026)	0.103*** (0.018)	0.116*** (0.025)	0.116*** (0.025)	0.106*** (0.018)
Polity	-0.007 (0.005)	-0.007 (0.005)	-0.008** (0.004)	-0.017* (0.010)	-0.017* (0.010)	-0.020** (0.009)	-0.018* (0.011)	-0.018* (0.011)	-0.024** (0.010)
Trend	0.012*** (0.003)	0.012*** (0.003)	0.009*** (0.003)	0.028*** (0.008)	0.028*** (0.008)	0.023*** (0.006)	0.057*** (0.012)	0.057*** (0.012)	0.045*** (0.008)
Oil discoveries (log)	0.515** (0.243)			1.021** (0.516)			0.870* (0.513)		
Value Oil disc. (log)		0.492** (0.234)			0.969* (0.496)			0.816* (0.496)	
Giant discoveries 1H			0.029 (0.063)			-0.014 (0.120)			-0.004 (0.117)
Giant discoveries 2H			0.054 (0.066)			0.022 (0.117)			0.011 (0.133)
Observations	1261	1261	1786	1261	1261	1786	1261	1261	1786

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ Mundlak's model is an ordered probit with country means of all time-variant covariates (not shown). Standard errors are given in parentheses clustered by country

Table 3

Horizontal repression: oil production and reserves.

	OLS	OLS	OLS	Oprobit	Oprobit	Oprobit	Mundlak	Mundlak	Mundlak
L.Purges	0.059 (0.044)	0.061* (0.038)	0.102** (0.046)	0.114 (0.138)	0.132 (0.085)	0.196** (0.092)	0.100 (0.141)	0.128 (0.084)	0.189* (0.105)
GDP per capita (log)	0.012 (0.011)	-0.005 (0.005)	-0.005 (0.007)	0.074 (0.132)	-0.145* (0.078)	-0.189* (0.113)	0.194 (0.338)	-0.118 (0.343)	0.182 (0.515)
GDP growth rate	0.002 (0.002)	0.001 (0.001)	0.002 (0.002)	0.011 (0.014)	0.001 (0.010)	0.009 (0.010)	0.012 (0.013)	0.002 (0.010)	0.008 (0.011)
Population (log)	0.022* (0.013)	0.015* (0.009)	0.013 (0.014)	0.203** (0.093)	0.162** (0.072)	0.107 (0.119)	-1.302 (1.028)	-0.919 (0.678)	-0.489 (1.112)
War	0.003 (0.016)	0.020 (0.021)	0.033 (0.028)	0.094 (0.191)	0.170 (0.171)	0.281 (0.231)	0.062 (0.194)	0.147 (0.176)	0.293 (0.255)
Dissent	0.000 (0.005)	0.002 (0.004)	-0.000 (0.003)	0.039 (0.033)	0.042 (0.029)	0.024 (0.036)	0.053 (0.033)	0.048* (0.029)	0.030 (0.034)
Polity	-0.002 (0.002)	-0.001 (0.001)	-0.001 (0.002)	0.022 (0.026)	0.008 (0.018)	0.005 (0.026)	0.040 (0.028)	0.017 (0.022)	0.011 (0.029)
Trend	-0.002* (0.001)	-0.002*** (0.001)	-0.001 (0.001)	-0.045*** (0.015)	-0.039*** (0.011)	-0.041** (0.021)	-0.022 (0.020)	-0.019 (0.016)	-0.031 (0.028)
Oil export (log)	-0.007** (0.003)			-0.083*** (0.031)			-0.085** (0.034)		
Oil & Gas rent		-0.001 (0.002)			-0.039 (0.039)			-0.048 (0.038)	
Oil reserves (log)			-0.011 (0.104)			-0.218 (1.763)			0.580 (1.587)
Observations	1101	2013	1315	1101	2013	1315	1101	2013	1315

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ Mundlak's model is an ordered probit with country means of all time-variant covariates (not shown). Standard errors are given in parentheses clustered by country

annual economic performance, measured by the GDP per capita and its growth rate respectively, are negative and significant. The size of the population is positive. Similarly, the presence of conflicts and the level of popular mobilization against autocrats (dissent) are shown to positively increase the level of coercion against the population. Finally, the relative level of democracy of each country, captured by the polity score, is negative and significant as one would expect.

As can be seen in Table 1, our analysis supports our theoretical argument that autocratic repression against the population increases with the amount of oil and gas rent and with the amount of oil reserves per capita, which is less likely to be contaminated by endogeneity. Oil export is not significant. This result holds across three different model specifications,

Table 4

Horizontal repression: oil discoveries.

	OLS	OLS	OLS	Oprobit	Oprobit	Oprobit	Mundlak	Mundlak	Mundlak
L.Purges	0.100** (0.045)	0.100** (0.045)	0.061* (0.038)	0.193** (0.089)	0.191** (0.089)	0.134 (0.086)	0.180* (0.105)	0.179* (0.105)	0.132 (0.088)
GDP per capita (log)	-0.002 (0.006)	-0.002 (0.006)	-0.007* (0.004)	-0.133 (0.089)	-0.134 (0.089)	-0.187*** (0.066)	0.229 (0.477)	0.225 (0.476)	-0.080 (0.355)
GDP growth rate	0.002 (0.002)	0.002 (0.002)	0.001 (0.001)	0.009 (0.010)	0.009 (0.010)	0.001 (0.010)	0.008 (0.012)	0.008 (0.012)	0.001 (0.010)
Population (log)	0.016 (0.013)	0.016 (0.013)	0.015* (0.009)	0.160 (0.105)	0.161 (0.106)	0.151** (0.070)	-0.540 (1.120)	-0.534 (1.119)	-0.976 (0.670)
War	0.033 (0.027)	0.033 (0.027)	0.020 (0.021)	0.276 (0.222)	0.275 (0.222)	0.166 (0.171)	0.290 (0.245)	0.290 (0.246)	0.149 (0.179)
Dissent	-0.000 (0.003)	-0.000 (0.003)	0.002 (0.003)	0.024 (0.035)	0.023 (0.035)	0.044 (0.028)	0.031 (0.033)	0.030 (0.033)	0.049* (0.029)
Polity	-0.002 (0.002)	-0.002 (0.002)	-0.001 (0.001)	0.002 (0.026)	0.002 (0.026)	0.012 (0.018)	0.007 (0.029)	0.007 (0.029)	0.019 (0.021)
Trend	-0.001 (0.001)	-0.001 (0.001)	-0.002*** (0.001)	-0.042** (0.020)	-0.043** (0.020)	-0.038*** (0.012)	-0.029 (0.028)	-0.030 (0.028)	-0.017 (0.016)
Oil discoveries (log)	-0.144* (0.086)			-2.625* (1.594)			-2.765* (1.664)		
Value Oil disc. (log)		-0.139* (0.084)			-2.537* (1.545)			-2.647* (1.623)	
Giant discoveries 1H			0.013 (0.020)			-0.027 (0.168)			-0.007 (0.158)
Giant discoveries 2H			-0.051** (0.021)			-4.566*** (0.195)			-4.595*** (0.277)
Observations	1315	1315	2013	1315	1315	2013	1315	1315	2013

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ Mundlak's model is an ordered probit with country means of all time-variant covariates (not shown). Standard errors are given in parentheses clustered by country

i.e., linear models, ordered probit with random effects and ordered probit with country-means of the time-variant control variables (Mundlak). This last specification should further mitigate the issue of endogeneity stemming from the omission of important co-determinants of repression and oil wealth.

In Table 2 we move to even more exogenous measures of oil wealth, and use oil discoveries and its value. Oil prices exhibit a notable fluctuation over time, and the intuition behind our theoretical framework is that the incentives to repress are shaped by the value of a country's reserves rather than the quantity, which motivates the use of the value of oil as a further test of our hypothesis. Both the amount of oil discoveries and its value are positive and significant at conventional levels. We also include the presence of giant oilfield discoveries, and divide it into two groups by the size of the estimated recoverable reserves (whether it belongs to the first or second half of the distribution). As we can see, while the occurrence of giant oil discoveries do not seem to matter in determining the intensity of government repression against its citizens, the coefficient estimates for the size of oil discoveries and its value are in the hypothesized direction and significantly different from 0, regardless of the empirical specification. The other contextual variables all continue to add significantly to the fit of the model in the same direction. Note that the OLS models allow for direct reading of the coefficients and that our continuous explanatory variables are log-transformed. Therefore a 50% increase in oil reserves will increase the level of vertical repression by approximately 0.35 points. The substantive impact is overall quite sizeable, if we take into account that the mean level of political terror is 2.8. Although we do not rely exclusively upon the direction and statistical significance of a parameter estimate, the extent of evidence for the substantive impact of oil on repression clearly depends on model specification and data considerations.

Moving from vertical to horizontal repression, in Tables 3 and 4 the signs of our control variables are also those expected. Our estimates are very conservative, and the combination of a lagged level of purges, country-specific time trends, and random effects coupled with clusters at country level make some of the control variables, in particular the presence of wars and the polity score, insignificant at conventional levels. Interestingly, in Table 3 only oil export is negative and significant, while the other oil variables fail to achieve statistical significance. Establishing a close relationship between repression and oil wealth leaves open the question of whether "oil causes repression" or vice versa. Therefore, as we argued above, we are much less confident about flow variables such as production and exports - given the likely presence of reverse causality - than more exogenous measures of resource booms, in particular oil discoveries. Therefore in Table 4 we drop standard oil production variables in favor of the amount of new oil discoveries and their value; they are both shown to significantly lower the intensity of horizontal repression in autocratic regimes, as predicted by our formal model. We then concentrate on giant oilfield discoveries, and look at possible differential effects of discoveries according to their size (below or above the median). We find that the effects are concentrated in the second half of the distribution. Otherwise stated, small giant discoveries might not have as strong an effect as the very largest giant oilfield discoveries. Finally note that while some control variables fail to achieve statistical significance when we move to more conservative model specifications, our results remain unaffected.

To sum up, our empirical analysis seems to point clearly and consistently towards the conclusion that wealth, in particular oil, does indeed affect the level of state sponsored repression. Yet the effect of natural resource booms on state repression varies according to the type of target: the use of horizontal violence against elite actors decreases with the amount of oil revenue, while vertical repression, against the population, increases with the level of wealth.

6. Conclusions

The use of repression is widespread among authoritarian rulers around the world, as testified by recent events in the middle East, in Sub-Saharan Africa, or more recently in Turkey. To confront dissent, regimes strengthen their security (and repressive) apparatuses, making use of imprisonment, restricting freedom of expression and civil liberties. We argue that depending on their natural wealth, authoritarian regimes differ in their respective use of vertical and horizontal coercion and terror to prevent popular uprisings. This is important since different combinations of vertical and horizontal repression have different consequences for the organization and stability of dictatorships.

We theorize that horizontal support from the elites improves the regime’s coercive capacity on the population at large. Such support being costly, autocrats have incentives in purging the elites to reduce the size of the regime’s inner circle. We demonstrate that wealthier regimes have incentives to deploy a stronger security apparatus to quell possible popular dissent. To improve such vertical coercive capacity, autocrats will accordingly restrain the level of purges against the elites so as to have a larger body of influential supporters. There is thus a double wealth effect: when they can rely on more substantial resources to sustain them, autocrats spend more on both direct repression of dissent and co-optation of elites. Consistent with the bulk of the literature, we establish that wealthier regimes are more stable and rely increasingly on elites to control the population.

Our empirical findings strongly support the theory. By making use a global dataset on natural resources, human rights violations and purges, we find that oil discoveries, and more generally authoritarian regimes that are more wealthy in terms of oil resources, tend to contain the level of horizontal repression, while they simultaneously resort to vertical repression to a larger extent.

Appendix A

A.1. Second order condition under revolution

Differentiating (15) w.r.t. p yields:

$$-\frac{w^2(\phi\omega)^{1/2}l'(p)}{4l^{3/2}}\left(\frac{l'(p)(Y - (1 - p)w - g)}{2l(p)} + 1\right) - \frac{w^2(\phi\omega)^{1/2}}{2l^{1/2}}\frac{(l''(Y - (1 - p)w - g) - l')l - l'l'(Y - (1 - p)w - g)}{2l^2}$$

The first term of this expression equals zero when the FOC is satisfied, thus implying that the objective function is quasi-concave in p if:

$$\frac{(l''(Y - (1 - p)w - g) - l')l - l'l'(Y - (1 - p)w - g)}{2l^2} > 0 \tag{23}$$

Table A.1
Summary statistics.

Variable	Mean	Std. Dev.	Min.	Max.	N
Political Terror	2.8	1.1	1	5	2346
Purges	0.2	0.9	0	34	4636
Oil export (log)	2.2	3.9	-8.8	10.9	2441
Oil and Gas rent	2	2.8	0	11.3	4270
Oil reserves (log)	-0.1	0.1	-0.2	0.1	3319
Oil discoveries (log)	-0.2	0.1	-0.2	0.1	3319
Value Oil disc. (log)	-0.1	0.1	-0.2	0.1	3319
Giant discoveries 1H	0	0.2	0	1	5487
Giant discoveries 2H	0	0.1	0	1	5487
GDP per capita (log)	8	1	5	11.5	4335
GDP growth rate	2	8.9	-65	131.2	4254
Population (log)	8.9	1.5	4.8	14.1	4768
War	0.1	0.4	0	1	2492
Dissent	0.9	2.3	0	41	4636
Polity	-4.3	4.9	-10	6	5487
Trend	34.4	17.1	1	64	5487

Using the fact that the bracketed term in expression (15) is equal to zero, and substituting in (23) enables us to re-write the condition as:

$$l''(Y - (1 - p)w - g) + l' > 0$$

Yet, if the FOC is satisfied, the above condition becomes:

$$2l''l > l'l'$$

And this last condition is verified because of Assumption 1.

A.2. Second order condition under deterrence

Differentiating (18) w.r.t. p yields:

$$\begin{aligned} & -\frac{2\omega w^2 l'(p)\phi}{(\omega + l(p)\phi)^3} ((Y - (1 - p)w - g)l'(p)\phi + \omega + l(p)\phi) \\ & -\frac{\omega w^2}{(\omega + l(p)\phi)^2} (l'(p)\phi - l'(p)\phi + l''(p)\phi(Y - (1 - p)w - g)) \end{aligned} \quad (24)$$

Whenever (18) equals zero, the first term of (24) equals zero as well, thus implying that (24) is negative if the last expression between brackets is positive. This is necessarily true since $l''(p) > 0$.

A.3. Optimal degree of purges

We begin by demonstrating Lemmas 4–6 that will help construct the equilibrium.

Lemma 4. $l(\hat{P}(1)) \geq \omega \Rightarrow l(\hat{P}(1)) \geq l(\hat{p}(1)) \geq \omega \Leftrightarrow \hat{P}(1) \geq \hat{p}(1)$

Proof. If we set $\phi = 1$ in (19) the expression becomes:

$$-l'(\hat{p})(Y - (1 - \hat{p})w - g) = \omega + l(\hat{p}) \quad (25)$$

Re-arranging (16) we obtain:

$$-l'(\hat{P})(Y - (1 - \hat{P})w - g) = 2l(\hat{P}) \quad (26)$$

As the shape of the expression (25) will be used in what follows, we rewrite the expression as $\Xi(\hat{p}) = -l'(\hat{p})(Y - (1 - \hat{p})w - g) - (\omega + l(\hat{p}))$, and making use of (18) and the problem's concavity, we therefore know that $\Xi(\hat{p})_{\hat{p}} \leq 0$, with $\Xi(0)_{\hat{p}} > 0$ if an interior solution exists.

Take first the case where $l(\hat{P}) = \omega$, so that the RHS of (26) is equal to 2ω . By comparing (25) and (26), it is immediate that if we substitute \hat{p} by \hat{P} in (25), (25) holds true. We therefore have that if $l(\hat{P}) = \omega$, $\hat{p} = \hat{P}$ is the unique solution to the problem, since \hat{p} is unique.

Consider next the purges \hat{P} such that $l(\hat{P}) < \omega$. Replacing \hat{P} in (25), the RHS of (25) is necessarily larger than the RHS of (26), thus implying that $\Xi(\hat{P})_{\hat{p}} < 0$. Because of the problem's concavity, we deduce that $\hat{p} < \hat{P} \Rightarrow l(\hat{p}) < l(\hat{P})$.

Proceeding likewise, we can show that $l(\hat{P}) > \omega \Rightarrow \omega < l(\hat{P}) < l(\hat{p}) \Leftrightarrow \hat{p} > \hat{P}$. \square

Lemma 5. $\bar{l}(0) > l(\hat{p}(0))$

Proof. This result follows directly from the assumption that $l(\hat{p}(0))$ is finite, while $\lim_{\phi \rightarrow 0} \bar{l}(\phi) = \infty$. \square

Lemma 6. There exists at most one ϕ such that $l(\hat{p}(\phi)) = \bar{l}(\phi)$

Proof. To establish Lemma 6, it is sufficient to show that, whenever $l(\hat{p}) = \bar{l}$, the slope of \bar{l} is smaller (i.e., more negative) than the slope of $l(\hat{p})$. This implies that at the crossing point, the difference between the slope of \bar{l} and the slope of $l(\hat{p})$ is negative. Since the functions are continuous on the interval $\phi \in [0, 1]$, this is a sufficient condition for proving that there can be at most one crossing between the two functions. We begin by re-writing the difference between \bar{l} and $l(p)$ at the crossing point as:

$$\begin{aligned} & \frac{\omega}{\phi^3} [1 + (1 - \phi^2)^{1/2}]^2 - l(\hat{p}) = 0 \\ & \Leftrightarrow (1 - \phi^2) = \left[\left(\frac{l\phi^3}{\omega} \right)^{1/2} - 1 \right]^2 = 0 \\ & \Leftrightarrow -\phi^2 - \frac{l\phi^3}{\omega} + 2\frac{l^{1/2}\phi^{3/2}}{\omega^{1/2}} = 0 \end{aligned} \quad (27)$$

$$\Leftrightarrow \mathcal{K} = -\phi^2 \left[1 + \frac{l\phi}{\omega} - \frac{2l^{1/2}}{\phi^{1/2}\omega^{1/2}} \right] = 0 \tag{28}$$

Differentiating \mathcal{K} w.r.t. ϕ gives:

$$\frac{\partial \mathcal{K}}{\partial \phi} = \underbrace{-2\phi \left[1 + \frac{l\phi}{\omega} - \frac{2l^{1/2}}{\phi^{1/2}\omega^{1/2}} \right]}_{=0} - \left[\frac{l\phi^2}{\omega} + \frac{\phi^{1/2}l^{1/2}}{\omega^{1/2}} \right] + \phi^2 l' w p'(\phi) \frac{\phi}{\omega} + \frac{\phi^2 l' w p'(\phi)}{\phi^{1/2}l^{1/2}\omega^{1/2}}$$

Which implies that the sign of $\frac{\partial \mathcal{K}}{\partial \phi}$ is negative if $p'(\phi) > 0$. Applying the IFT on (19) yields:

$$\frac{\partial p^*}{\partial \phi} = - \frac{(Y - (1 - p^*)w - g)l'(p^*) + l(p^*)}{(Y - (1 - p^*)w - g)l''(p^*)\phi} \tag{29}$$

Hence, the sign of $\frac{\partial \mathcal{K}}{\partial \phi}$ is negative if $(Y - (1 - p^*)w - g)l'(p^*) + l(p^*) < 0$. Since (19) implies that $(Y - (1 - p^*)w - g)l'(p^*) + l(p^*)\phi + \omega = 0$, we deduce that $\frac{\partial \mathcal{K}}{\partial \phi} < 0$ for any $\omega > 0$. \square

We can now make use of Lemmas 4–6 to deal with the two following possible cases:

Case 1: $l(\hat{P}) \leq \omega$ in $\phi = 1$

To show that over the entire range of admissible values for ϕ the ruler implements the deterrence strategy, we demonstrate that the optimal level of purges under the *confrontation strategy* is such that $l(P^*) = \bar{l}(\phi)$. By the very definition of $\bar{l}(\phi)$, the associated level of purges leaves indifferent the ruler between both strategies. Lastly, since the actual deterrence strategy dictates the choice of a different level of purges, this must grant the ruler a higher payoff.

For the first step, from (18) we know that the interior value \hat{P} is independent of ϕ . Since $\bar{l}(\phi) \geq \omega, \forall \phi \in [0, 1]$, with strict equality in $\phi = 1$, and since $l(\hat{P}) \leq \omega$ by assumption, it follows that the condition in (16) is violated so that P^* is given by (17).

To show that $l(\hat{p}) \neq \bar{l}(\phi), \forall \phi$, we use Lemmas 4–6 and conclude that (i) if $\phi = 1$, then $l(\hat{P}) \leq \omega \Rightarrow l(\hat{P}) \leq l(\hat{p}(1)) \leq \omega$, (ii) if $\phi = 0, \bar{l}(0) > l(\hat{p}(0))$, and (iii) there exists at most a single crossing point between $l(\hat{p}(\phi))$ and $\bar{l}(\phi)$. Combining these elements enables us to conclude that for $\phi \in [0, 1], l(\hat{p}(\phi)) \leq \bar{l}(\phi)$ with equality in $\phi = 1$ in the specific case where $l(\hat{P}) = \omega$.

Combining Lemmas 4–6 implies that, for $\phi \in [0, 1]$, there can be no crossing between $\bar{l}(\phi)$ and $l(\hat{p}(\phi))$, while in $\phi = 1, \bar{l}(\phi) \geq l(\hat{p}(\phi))$ with strict equality for $l(\hat{p}) = \omega$. We therefore have that $l(\hat{p}(\phi))$ lies beneath $\bar{l}(\phi)$ over the whole interval $\phi \in [0, 1]$.

Case 2: $l(\hat{P}) > \omega$ in $\phi = 1$

By Lemma 5, the fact that $l(\hat{P}) > \omega = \bar{l}(1)$, and $\partial \hat{P}(\phi)/\partial \phi = 0$, there exists a unique $\bar{\phi}$ such that $l(P^*) = \bar{l}$ for $\phi \leq \bar{\phi}$, and $l(P^*) = l(\hat{P})$ for $\phi > \bar{\phi}$.

By Lemma 4, we know that $l(\hat{p}(1)) > l(\hat{P}(1)) > \omega$. Combining this with Lemmas 5 and 6 implies that there exists a unique $\bar{\phi}$ such that $p^* = \hat{p}$ for $\phi < \bar{\phi}$, and $p^* = \bar{l}(p(\phi))^{-1}$ for $\phi \geq \bar{\phi}$.

Combining these findings, we conclude that if $\bar{\phi} < \bar{\bar{\phi}}$, then for $\phi < \bar{\phi}, p^0 = p^* = \hat{p}$, for $\phi \in [\bar{\phi}, \bar{\bar{\phi}}], p^0 = \bar{l}(p(\phi))^{-1}$, and if $\phi \in [\bar{\bar{\phi}}, 1], p^0 = P^* = \hat{P}$.

As a last step, we demonstrate that $\bar{\phi} < \bar{\bar{\phi}}$ is the only possible scenario by establishing the following Lemma:

Lemma 7. $\bar{\phi} < \bar{\bar{\phi}}$

Proof. We proceed by contradiction. Assume that $\bar{\phi} > \bar{\bar{\phi}}$. Then, there exists a level of purges \hat{p} such that when \hat{p} simultaneously satisfies optimality conditions (16) and (19), the resilience parameter in (16) is strictly larger than the one in (19). Moreover, this necessarily implies that for that value of $\phi, U^* < V^*$. Using the definitions of U^* and V^* , the latter condition after simplifying reads as:

$$\frac{\omega}{\omega + l\phi^d} < \frac{1}{2} \left(\frac{\omega\phi^c}{l} \right)^{1/2} \tag{30}$$

Using next Conditions (16) and (19), have that:

$$\omega + l\phi^d + \phi^d l'(Y - (1 - p)w - g) = 0 = 2l + l'(Y - (1 - p)w - g)$$

Rearranging yields:

$$\omega + l\phi^d = 2l\phi^d$$

Replacing in (30) yields

$$(l\phi^c)^{1/2}\phi^d > \omega^{1/2}$$

Since under the *deterrence* strategy, we have that $\pi = \left(\frac{\omega}{l\phi}\right)^{1/2} = 1$, the previous expression sums down to:

$$\phi^c\phi^d > 1$$

And this is impossible. \square

Lemma 7 implies that only the case where $\bar{\phi} < \bar{\phi}$ needs to be considered, and this completes the proof.

A.4. Proof of proposition 3

Proof. By **Lemma 7** we know that $\bar{\phi} < \bar{\phi}$. From a simple look at **Fig. 2a** it is evident that (i) the range of ϕ parameters for which OSS is used is enlarged when Y increases, and the curves $l(\hat{p})$ and $l(\hat{P})$ shift downwards as a consequence, and that (ii) the range of ϕ parameters for which a revolutionary attempt is not deterred is correspondingly narrowing. \square

Appendix B. Endogenous public good provision

B.1. Optimality

We now consider the case where in the game's first stage, besides optimizing for r and p , the ruler equally optimally chooses g , given that $\omega(p)' > 0$ and $\omega(p)'' < 0$.

Confrontation strategy

Under the confrontation strategy the ruler maximizes the following problem:

$$\max_g V(r(g), p(g), x(g)) = \max_g \left\{ \frac{\omega(g)}{\omega(g) + l(p)\phi} (Y - (1-p)\omega(g) - g) \right\} \quad (31)$$

Optimizing and making use of the Envelope theorem yields:

$$\frac{\partial V(r(g), p(g), x(g))}{\partial g} = \frac{\phi^{1/2}}{2l^{1/2}} \left[\frac{\omega(g)'}{2\omega(g)^{1/2}} (Y - (1-p)\omega - g) - \omega(g)^{1/2} \right] \quad (32)$$

For the problem to admit a (unique) interior optimal level of public goods, it is sufficient to demonstrate that the following second-order condition holds true:

$$\frac{\omega(g)''}{2\omega^{1/2}} (Y - (1-p)\omega - g) - \frac{\omega(g)'}{2\omega^{3/2}} (Y - (1-p)\omega - g) - \frac{\omega(g)'}{2\omega^{1/2}} \leq 0 \quad (33)$$

Using the capital letter G^* to describe the optimal value of public goods under the confrontation strategy, can therefore conclude from (32) that the following expression implicitly characterizes G^* :

$$\omega(G^*) = \frac{\omega(G^*)'}{2} (Y - (1-p)\omega - G^*) \quad (34)$$

Deterrence strategy

Under the deterrence strategy the ruler maximizes the following problem:

$$\max_g \frac{\omega(g)}{\omega(g) + l\phi} (Y - (1-p)\omega - g) \quad (35)$$

Denoting by g^* the optimal, the associated first-order condition which implicitly defines g^* reads as:

$$\frac{\omega(g^*)' l\phi}{\omega(g^*) + l\phi} (Y - (1-p)\omega - g^*) - \omega(g^*) = 0 \quad (36)$$

And the second-order condition can easily be shown to hold.

B.2. Effect of public goods on horizontal repression

As before we consider sequentially the effects under the confrontation and under the deterrence strategies:

Confrontation strategy

Applying the implicit functions' theorem to (16), we obtain:

$$\frac{\partial \hat{P}}{\partial g} = - \frac{l'}{w(l''(Y - (1-p)\omega - g) + l')} > 0$$

Deterrence strategy

Applying the implicit functions' theorem to (19), we obtain:

$$\frac{\partial \hat{p}}{\partial g} = \frac{\omega' - l' \phi}{wl''(Y - (1 - p)w - g)} > 0$$

We thus conclude that the introduction of public goods in the model increases the equilibrium horizontal repression.

B.3. Effect of public goods on vertical repression

Considering once more the two strategies of the ruler, we analyze the effect of public goods on vertical repression:

Confrontation strategy

Using (11) we obtain:

$$\frac{\partial r^c}{\partial g} = -\frac{1}{2} - \frac{l'}{2(l''(Y - (1 - \hat{P})w - g) + l')}$$

We thus obtain:

$$\begin{aligned} \frac{\partial r^c}{\partial g} < 0 &\Leftrightarrow -\frac{l'}{(l''(Y - (1 - \hat{P})w - g) + l')} < 1 \\ &\Leftrightarrow l''(Y - (1 - \hat{P})w - g) + 2l' > 0 \end{aligned}$$

Using the optimality condition for \hat{P} , this condition reads as:

$$2l''l > (l')^2$$

And this condition is satisfied following Assumption 1.

Deterrence strategy Proceeding likewise with (7), we obtain:

$$\frac{\partial r^d}{\partial g} = -\frac{l' \phi \omega(g) w \partial \hat{p}(g) / \partial g + l \phi \omega(g)'}{(\omega(g) + l \phi)^2} (Y - (1 - \hat{p})w - g) + \frac{l \phi}{\omega(g) + l \phi} (\hat{p}(g)' w - 1) < 0$$

We thus conclude that the introduction of public goods in the model reduces the equilibrium vertical repression.

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