

# A study of triggering events

## When do political regimes change?

Martin Paldam, Aarhus University, Denmark<sup>1</sup>

Erich Gundlach, Universität Hamburg and GIGA, Germany<sup>2</sup>

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. We identify and classify the triggering events leading to all 262 larger regime changes between 1960 and 2015 in 170 countries. The source for the regime jumps is the Polity index, while the triggering event is our assessment based on the relevant articles in *The Economist*. The paper classifies the larger triggering events in a (2 x 2) table with four cells: (1-DP) domestic politics, (2-DE) domestic economics, (3-XP) external politics, and (4-XE) external economics). By far the most common is (1-EP), while (4-XE) is empty. Thus, most jumps are exogenous in an economic perspective.

Note: This paper is a sequence to Paldam and Gundlach (2017), but we have tried to make it independently readable. We have presented the paper 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. We are grateful to the discussants. Tobias Moser has been a fine research assistant.

---

1. Department of Economics and Business, *Fuglesangs Allé 4, DK-8210 Aarhus V, Denmark*.  
E-mail: [mpaldam@econ.au.dk](mailto:mpaldam@econ.au.dk). URL: <http://www.martin.paldam.dk>. *Corresponding author*.

2. Department of Economics, Von-Melle-Park 5, D-20146 Hamburg.  
E-mail: [erich.gundlach@wiso.uni-hamburg.de](mailto:erich.gundlach@wiso.uni-hamburg.de). URL: <http://www.erichgundlach.de>

# 1. Introduction

This introduction has two parts: Section 1.1 presents the problem to be analyzed, and section 1.2 is a short summary of a previous paper that prompted our quest. Our data sample is all 7,992 observations for the Polity index from 1960 to 2015, which is combined with the historical archive of the Economist.

## 1.1 Our question: Are triggering events really random?

Political systems are normally stable. Spells of stability are highly variable, but on average, they last about 15 years in our sample.<sup>3</sup> Thus, regimes have a strong tendency to develop status quo equilibria. To break this equilibrium requires a *triggering event*. We have tried to explain when triggering events occur. Until now, we have been largely unsuccessful, but we have only looked at the main variables for economic development.

This has prompted the present paper. It identify the 637 regime changes in the sample, which are classified as smaller and larger jumps: The 375 jumps below 4 Polity points are smaller system adjustments, while 262 jumps above 3 points are larger system changes. The paper try to assess the triggering event for all 262 larger jumps from the relevant articles in the historical archive of *The Economist*. It 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.

Figure 1. The concepts used

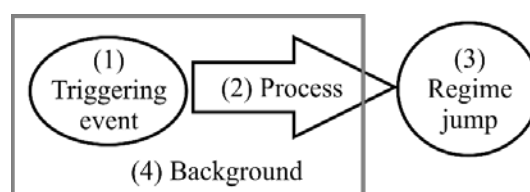


Figure 1 illustrates how a triggering event (1) leads to a *political process* (2), which may run for months, sometimes more than a year. Often a number of additional events occur in that period, before the *regime jump* takes place. *Background* conditions (4) in the country, such as the strength of the system, count during the process.

---

3. The average spell is 10 years, but the start and the end of the time interval truncates many spells. The standard device to correct for the truncation is to multiply the truncated spell by two. This gives the 15 years mentioned.

Triggering events are a fraction of a broader class of events. Our sources register 2½ events on average per jump, but there are surely more events and it is not easy to say exactly how triggering events differ from other events, except by being the starter. All political systems can absorb some events without changing, but the absorption may require an adjustment of the regime. We suspect that triggering events are relatively large, but from our data, it is not obvious.

Both the scoring of country regimes by the Polity-group and the journalistic coverage of the events by The Economist (and our coding of these events) are judgmental. It is important that the two sources are institutionally independent. All (but 3) of the large jumps in the Polity index are also covered by The Economist. Even though it is debatable what a regime jump is, the two groups of independent observers nearly always agree in practice.

The triggering events are classified into a (2x2) table, where the four cells are: (1-DP) domestic politics, (2-DE) domestic economics, (3-XP) external politics, and (4-XE) external economics. Table 8 at the end of the paper reports this table. A number of borderline cases that fit in several boxes appear, but most of the triggering events fall in cell (1-DP), and few events has to do with the economy (2-DE), none in (4-XE).

## 1.2 *Prior research: The mechanism connecting the short and the long run*

The previous paper (Paldam and Gundlach 2017),<sup>4</sup> surveys the literature on the Democratic Transition and points to a main contradiction: the short and long run findings do not agree.

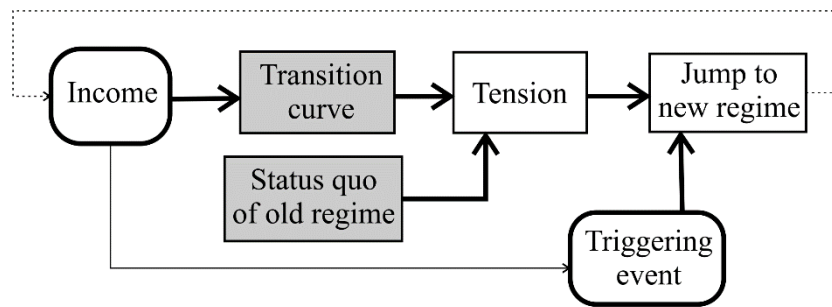
In the *long run* the political system of countries is a function of the income of the country, as described by the *Democratic Transition*. (Gundlach and Paldam 2009) gives a formal causality test showing that causality is from income to democracy. The observations scatter widely, but Kernel regressions on large data sets, (see section 2.3) show a stable underlying transition curve that is robust to bandwidth, time and country groups. The OPEC/MENA group is the only main exception. The long-run path consists of short runs so there must be something in the short run that aggregates to the transition curve.

In the *short run* the connection between the political regime and economic development has been found to be very weak (see Acemoglu *et al.*, 2008). We have replicated their result and shown that it generalize to a whole set of regression estimators. However, we have also found a mechanism that resolves the contradiction. Figure 2 depicts this mechanism:

---

4. The two papers referred to cover the large literature on the short and the long run in the Democratic Transition.

Figure 2. A sketch of the 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 happens (almost) randomly. In the short to medium term income is exogenous, the old regime and the transition curve are predetermined. The thin arrow from income to triggering events is that political systems stabilize at democracy for high incomes. Source: Paldam and Gundlach (2018).

Two points are crucial for the mechanism: (i) The *triggering event* is a binary variable saying when it happens, while the *jump* is an integer variable for the system change it causes. (ii) The mechanism models the interaction of two equilibria: The *long-run transition curve* and the *short-run status-quo equilibrium*. The distance between the two is the tension variable. It does not explain the triggering events, but it does explain the jumps.

To break a status quo equilibrium requires a *triggering event*, which happens (almost) randomly in the perspective of income and growth.<sup>5</sup> Once a triggering event happens, it causes a regime jump, of which most are in the direction of the transition curve. Thus, the long-run curve is an attractor for the jumps that occurs randomly.

The main content of Paldam and Gundlach (2017) are (1) the analysis of the stability of the transition curve, and (2) the demonstration that the tension variable explains the larger jumps quite well. They often overshoots the curve, giving a slow zigzag pattern of adjustment. Smaller jumps are system adjustments that remains unexplained. The transition curve is a function of income, but about half the countries are above and the other half below the curve, so the jumps have only an indirect relation to income, via the transition curve.

The paper proceeds as follows: Section 2 looks at the Polity data reporting two findings: (a) steps toward more authoritarian regimes are faster than the steps toward democracy, (b) regime changes have a grievance asymmetry. Section 4 discusses measurement problems and the classification used. Section 5 brings list of the triggering events for the 262 regime jumps, including the summary in Table 8. Section 6 concludes.

5. In probit regressions explaining the binary event series, the growth rate and income have coefficients that adds to about 2.5%; see also section 2.4.

## 2. Events and jumps in the Polity data

Section 2.1 defines the variables. Section 2.2 tells the macro story contained in the Polity data. Sections 2.3 and 2.4 replicate two relevant prior findings. Section 2.5 compares discrete jumps and sequences, while section 2.6 shows the grievance hypothesis for system jumps.

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

Number Countries	Observations			Small jumps: $\Delta P \leq 3$		Large 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: (a) Missing observations are from dependent countries. They data cover 170 countries, and the time span is the 56 years from 1960 to 2015, so ideally there should be  $170 \times 56 = 9'520 = 7992 + 1305 + 223$  observations.

### 2.1 Defining the variables: 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, i.e., for a period without a political system. The use of integers has two explanations: (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. However, both sources and Wikipedia notice all larger changes.

When the zeroes are deleted from the  $P_{it}$ -data panel, it leaves 7,992 observations. From these follows the  $\Delta P_{it} = P_{it} - P_{it-1}$ , where  $t$  and  $t-1$  may not be in strict calendar time as the zeros have been omitted. To calculate  $\Delta P_{i1960}$ , the available observations for  $P$  in 1959 are used.

If  $\Delta P_{it} \neq 0$ , a triggering event occurs in that year, with the size  $\Delta P_{it}$  that is termed a jump. Thus, triggering events are a binary (0,1) variable, while the jump is an integer in the interval  $[-20, +20]$ . Jumps to the same side in consecutive years are a *sequence*, which is coded as the sum of the jumps the first year. Most sequences are just two years, but a sequence may continue for three or even four years. The larger jumps are in 113 countries, so 57 countries have no larger jumps. This group of stable countries includes almost all the developed countries; see section 3.5 in Paldam and Gundlach (2017).

---

6. See Polity index in references. We use Polity2 and delete blanks and zeroes, as they represent periods without a political system and periods under foreign domination.

Figure 3. The number of countries covered by the Polity data 1920-2015

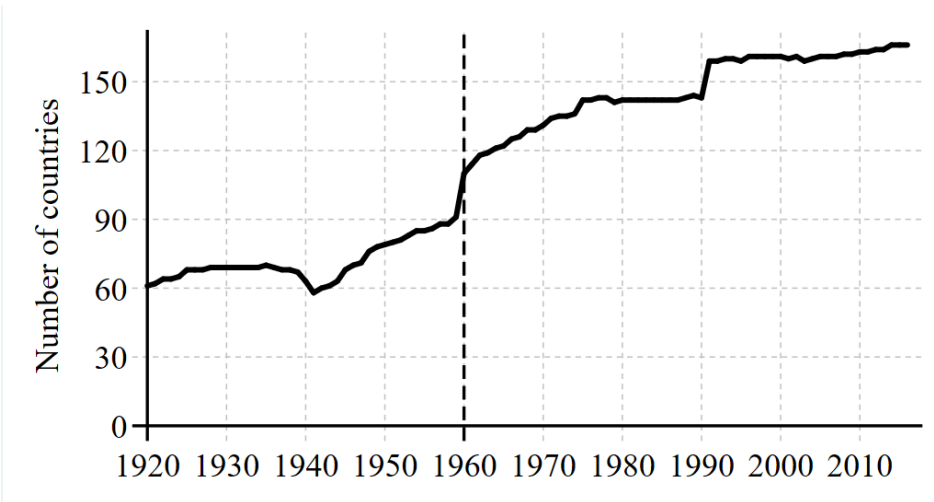


Figure 4. The number of triggering events per year, adjusted

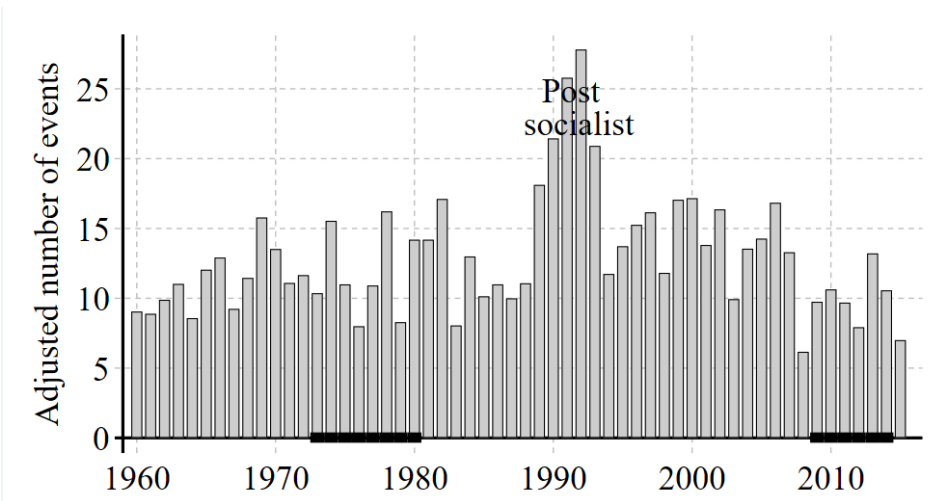
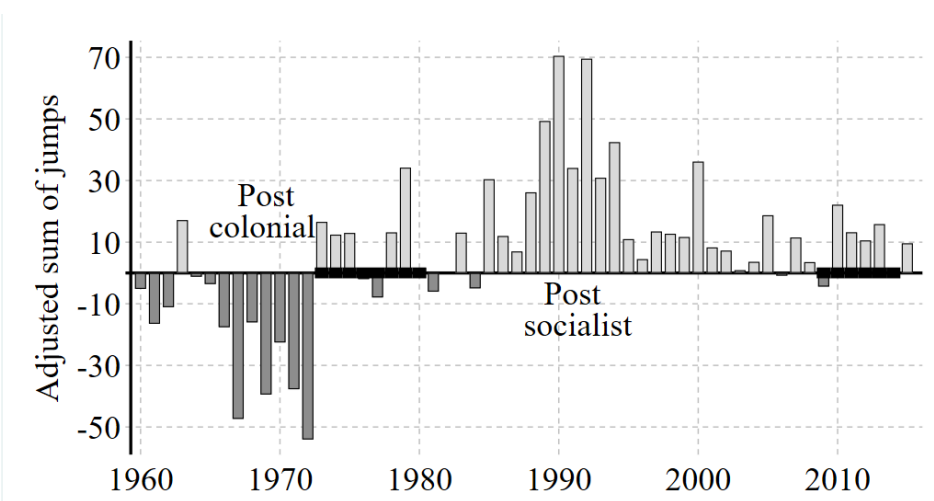


Figure 5. The direction of the changes as the annual sum of jumps, adjusted



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 Crises and the Bank Crisis.

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

Annual for 56 years	Triggering events (Fig 3)		Sum of jumps (Fig 4)	
	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 4 and 5.

## 2.2 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 3 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. We want a reasonably balanced sample, so our sample starts in 1960. The average number of years per country is 47.3 of the potential 56 years, and the average number of countries is 142.7 since 1960.

Figures 4 and 5 are adjusted to an imputed number of 142.7 countries in all years. Hereby the index tells stories about the more or less successful democratization of countries.

Figure 4 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 has a strong post-socialist peak with about 100 extra jumps compared to the average.

Figure 5 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.<sup>7</sup> Two peaks appear:

The negative *post-colonial peak*, 1966/72: The colonial powers liberated many poor colonies in 1960 and gave them a democratic constitution well above the transition curve. During the next 15 years, many of these countries saw one or more triggering events that caused the regime to jump towards less democracy. This was particularly relevant in the poorest continent, Africa.<sup>8</sup>

7. Diamond *et al.* (2016) claim that the annual rise in democracy in the world has gone down in the last 5 years. This is not the case for the Polity index – it keeps raising. We have also looked for other international political events. The Arab Spring has a large effect in Tunisia only. Andersen and Jensen (2017) suggest that the change in the recommended political regime by the Catholic Church after the Second Vatican Council (1962-65) is an exogenous external factor. The effect is at best small.

8. The negative jumps in 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).

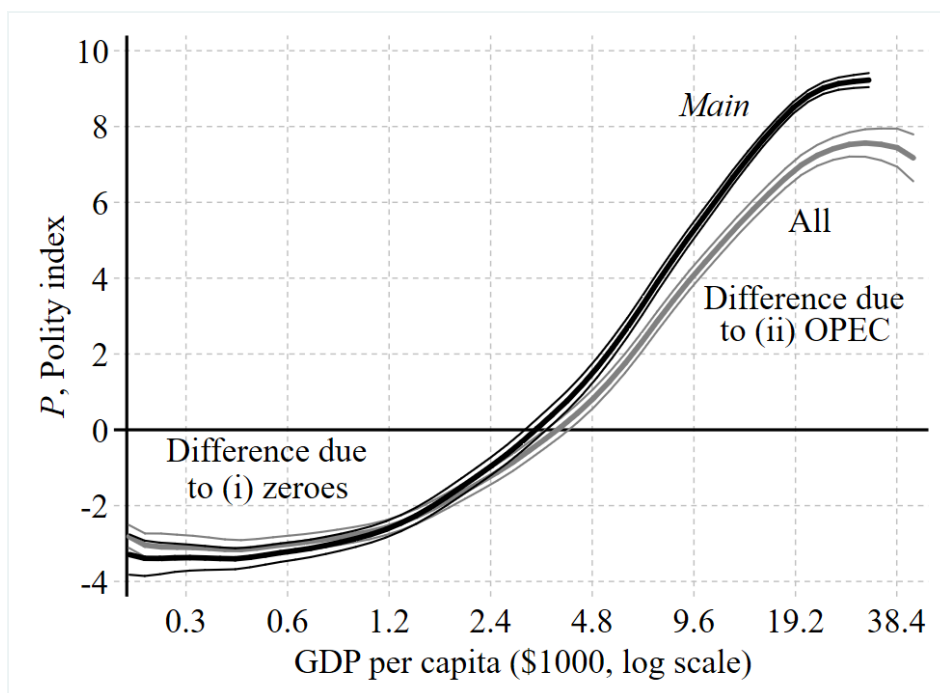
The positive *post-socialist peak*, 1989/93: The Polity index scores most socialist countries at  $-7$ . This is below that transition curve for most of the countries. Thus, socialist countries had too little democracy for their level of development, so most post-socialist jumps were positive; see section 3.3.

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.

### 2.3 Background: The Democratic Transition

Figure 6 shows the Democratic Transition from kernel regressions on all the 6,997 observations for the Polity data, where a corresponding income observation is available from the Maddison Project.<sup>9</sup> The curve represents the long-run connection. It is flat (with a zero slope) at the two ends: the only political systems with long-run stability are traditional systems and modern democracy. Countries above/below the transition curve have *too* much/little democracy.

Figure 6. Kernel regression estimates of the transition curve



Note: Kernel regression with the bandwidth 0.5, for all observations ( $N = 6,997$ ) and the *Main* group ( $N = 6,211$ ) that is reached by deleting two sets of observations: (i) the 237 zeroes have a small effect; (ii) the 561 observations from the OPEC countries make the top end higher. Paldam and Gundlach (2017) show the robustness of the curve to bandwidth, country groups and time intervals. The curves are surrounded by 95% confidence intervals.

9. Sections 2.3 and 2.4 combine the Polity data with income data from the Maddison Project. This reduces the sample by about 22%. We assume that robust results generalize to the larger data set used in the rest of the paper.



This finding corresponds to a couple of observations: (1) Political systems at intermediate Polity levels (such as  $P = -2$  to  $7$ ) are often build around one ruler. When he changes, the whole system changes. (2) System changes tend to overshoot the transition curve.<sup>10</sup>

The Polity score is limited to the interval  $[-10, 10]$ , where many countries are at the ends of the interval. This explains some of the cyclicity of the adjustment. If the country has a military dictatorship that appears to have failed (such as in 1983 in Argentina, where the economy was in crisis and a war was lost), it gives a jump in the direction of democracy and vice versa.

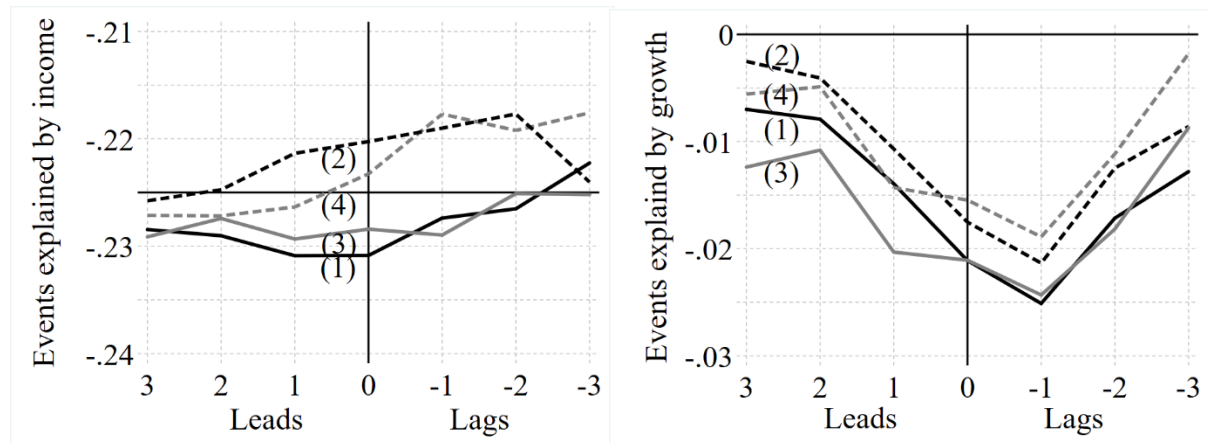
#### 2.4 The weak short-run relation between economic development and events

Figure 7 shows the relation between (6a) events and the income level,  $y$ , and (6b) income and the growth rate,  $g$ . The two relations use two probit regressions to analyze the four relations.

$$\begin{aligned}
 (1a) \quad E_i &= a + b_1 y_{i+k} & (1b) \quad E_i &= a + c_1 g_{i+k} & \text{for } k = 3, 2, 1, 0, -1, -2, -3 \\
 (2) \quad & E_i = a + b_2 y_{i+k} + c_2 g_{i+k} & & & \text{for } k = 3, 2, 1, 0, -1, -2, -3
 \end{aligned}$$

Figure 7. Four sets of coefficients from seven lagged probit regressions explaining events

Fig. 7a. Estimates of  $b$ , from Eq. (1a) and (2)      Fig. 7b. Estimates of  $c$ , from Eq. (1b) and (2)



Note: Calculated on the *Main* sample used for Figure 6, and *N-main* that is the same sample without extreme observations, where  $|g| > 20$ . Figure 7a: Lines (1) and (3) are the estimates of  $b_1$  from eq. (1a) on the *Main* and the *N-main* sample respectively. The estimates are done for the 7 values of  $k$  indicated. Line (2) and (4) are estimates of  $b_2$  from eq. (2) on the two samples. Figure 7b is the same graph for the estimates of  $c$ . When  $k > 0$  income (growth) is ledged relatively to the events, so the causal direction is from the events to income (growth). When  $k < 0$  income (growth) is lagged relatively to the events, so the causal direction is from income (growth) to events. The flat curves on Figure 7a show no causality, but the clear peak to the right on Figure 7b indicates causality from growth to events. Note the modest size of the coefficients on both figures. Paldam and Gundlach (2017) report that the regressions are robust to the inclusion of fixed effects for countries and time.

10. Thailand provides an extreme cyclical case with the jumps: +9 (1968), -9 (1971), +10 (1973), -10 (1976), +9 (1977), -4 (1991), +10 (1992), -14 (2006), +9 (2007), and -10 (2014). See also section 3.1 on Argentina.

Figure 7a deals with the relation between income and events. The four lines are all in the interval -0.218 to -0.232, and even when they have trends the slope is only 0.001, so for all practical purposes they are flat, and similar. Thus, the relation between events and income is of a long-run nature – it is due to the Democratic Transition.

Figure 7b deals with the relation between growth and events. Once again, the four lines are rather similar. The important point to note is that a distinct peak appears when the growth is one year before the event. The areas between the four curves and the horizontal axis (for the effect zero) give a simple causality test: The main causal direction is from growth to events.

Table 3 shows that the size of the effect analyzed in Figure 7b is tiny: Even at the peak for  $k = -1$ , the effect is between -0.02 and -0.025, and the marginal  $R^2$  is just 0.004.

Table 3. The marginal pseudo  $R^2$  of regressions (2) minus (1a) or (1b)

Pure effect of	Leads				Lags		
	3	2	1	0	-1	-2	-3
Income	0.029	0.029	0.028	0.028	0.027	0.026	0.027
Growth	0.000	0.000	0.002	0.003	0.004	0.001	0.000

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

Table 4 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 4. A comparison of discrete jumps and 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.

Steps 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.

Steps 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; (iv) a general election takes place. This normally takes two years, but it may be as many as four years

## 2.6 The grievance asymmetry for system changes

The literature on vote and popularity normally 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 5 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, in accordance with Figure 7b. The gray area, in rows (r4) and (r5), represents normal growth, which gives the normal number of events:  $226/1943 = 0.085$ .

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 events are significantly positive, but the excess events are only 102.2 of 1610 observations. This is 6.3%, so the effect is moderate.

Table 5. 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	(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 used to calculate the normal frequency for events 0.085. Column (C6) and (c9) report one-sided binominal test for  $x = 0.085$ . Significant test results are bolded. The excess events are calculated as  $(c3) - x(c4)$ . The zeros in (c6) are below 0.005%.

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, but the excess events are less than -1%, and this not significant, so the positive effect of high growth is small, and of dubious significance.

### 3. The classification scheme: Examples and criteria

To help understanding the classification made, we give examples that fit into three of the four cells of the (2x2)-table. The examples look at well-known cases.

#### 3.1 *Some problems*

The short stories given in sections 3.2 to 3.5 are parts of the systematic analysis given in section 4. Recall Figure 1 in the introduction: It distinguishes between (1) the triggering event, and (2) the process it starts that leads to (3) the regime jump, which may take place as a sequence. The process depends upon (4) background factors. Items (1), (2) and (4) causing the jump are increasingly difficult to sort out when the process lasts longer.

It is often possible to identify (1) the triggering event, but the process (2) can only be sketched. The main problem is that the process is conditional on (4) background factors such as the strength of the regime – both as regards its legitimacy and its instruments of oppression. In some cases, several similar events that did not lead to a jump occurred well before the triggering event. That this event became the trigger may be due to something that went wrong in the process, or due 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, and the French voters reelected President de Gaulle after the demonstrations were over, but one year later, 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 only resigned (peacefully) in 1988 after having lost a plebiscite on the extension of this rule.

The main classification of triggering events is whether they are economic or political in nature and for each of the two whether they are domestic or external. Some of the crises that caused a system jump have a complex history of economic and political interaction – here the pivotal event has to be chosen as the triggering event.

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, and in the two decades mentioned the country experienced the return and subsequent

---

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.

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

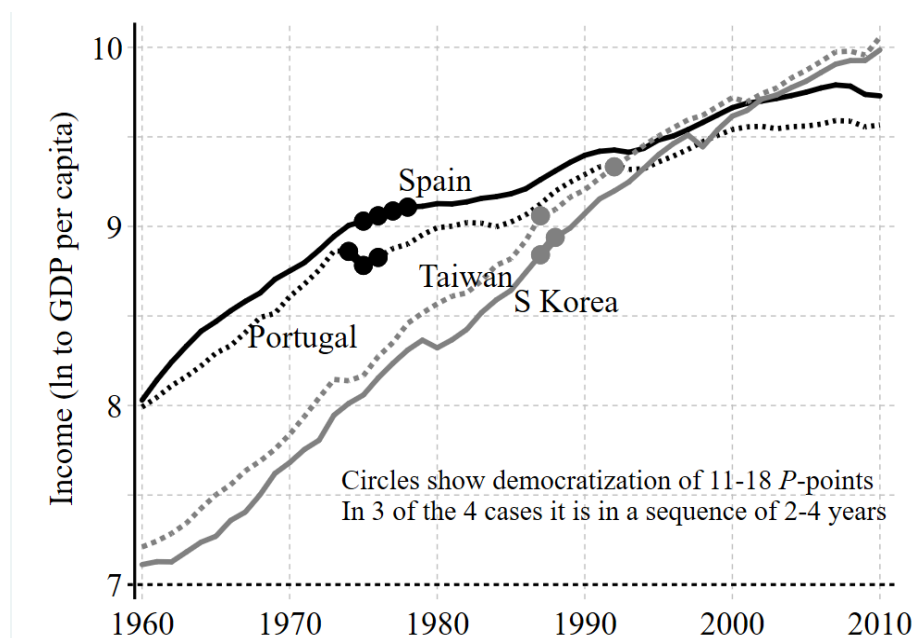
death of Juan Peron, the Dirty (civil) War, repeated waves of high inflation, default on the national debt, several military coups, and the lost Falkland War with the UK. These events did follow from each other, but it is impossible to claim that everything was endogenous, so that the tragic path of events was inevitable given the state of the country in 1965. Therefore, we have tried to identify four triggering events – it is actually quite easy in three of the four cases.

### 3.2 *The (1-DP) domestic political cell: Four cases of countries joining the West:*

Portugal, Spain, Taiwan and South Korea are countries, which first had a strong economic development and then experienced a system jump when the old dictator died. Figure 8 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. The triggering events are therefore classified as domestic and political.

However, when the jump occurred the countries had reached an income level of  $y \approx 9 \pm 0.5$ , where the countries were a long way below the transition curve, and a large positive jump resulted.

Figure 8. 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.

The four countries all had a large positive tension (*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 overshoot the curve, which made the countries *too* democratic for a while until income caught up.<sup>13</sup>

### 3.3 *The (2-EP) external political cell: The post-socialist wave*

The data contains nine old socialist countries that left socialism and became 28 countries. Table 6 is a condensed version of the process of their regime jump.

A large literature deals with the collapse of socialism in these countries. 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.

Table 6. 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, <i>P</i> = -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, <i>P</i> = -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 (of a jump of 13 points) in 1999/2000 after the wars between Serbia and Croatia and in Bosnia and Kosovo were finally over. Montenegro broke with Serbia in 2006. Belarus experienced a major step back into totalitarianism in 1996. 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, of which Kosovo is closest to general recognition. The year 1990 has *P* = 0 in the USSR as it was a rather chaotic year.

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, we does not analyze the spatial dimension at present.

The initial triggering event for all the large jumps listed in Table 6 is thus a political shock that came from the center and spread throughout the socialist world.<sup>14</sup> 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 six poor central Asian countries, 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.

### *3.1 The (2-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 mismanagement of the economy:<sup>15</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. Thus, it is classified as an domestic economic trigger.<sup>16</sup>

From our reading of the cases, it appears that external economic events have caused no regime changes, so cell (4-XE) has remained empty.

---

14. Table 6 uses the last year of the USSR and Yugoslavia to calculate the difference in the first year for the new countries. Thus, the post-socialist peak shown on Figures 4 and 5 includes the initial events and jumps, but the two peaks are much higher.

15. Chile has many fine economists, but none of these was associated with the Allende government, which was very critical of economic theory in general and neo-classical theory in particular.

16. 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.



## 4. The triggering events

Section 4.1 deals with the problems and the domestic-political bias in the stories. Section 4.2 gives the detailed coding of the events, and finally section 4.3 gives the (2x2) table announced in the introduction.

### 4.1 *Problems in the interpretation*

The articles in *The Economist* may be notes of one paragraph or articles of up to two pages. The latter often describes the process leading to the change. If there is more than one month between the trigger and the eventual change, as is normally the case, the story told is often quite complex, and it is often difficult to point to the crucial event starting the process. This is particularly true when there is a lull in the process. Fortunately, we only have to choose between the four cells: (1-DP), (2-DE), (3-XP), and (4-XE).

It is a strong impression when reading the 250 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 may be it did not. It is even possible from a first reading to argue that all changes are due to domestic politics. It may be somewhat misleading. Therefore, we have noted all cases where the economy or external events are mentioned.

Think of the wave of system changes around 1990. In most cases, the government tried to do nothing when the USSR collapsed, but then students and other active citizens picked up that collapse and reacted. This induced governments to make some reforms to pre-empt the protests, but then things got out of control and a new political system resulted.

It is 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. Between 1963 and 1990, Congo (Br) was the *People's Republic of the Congo* that was a one-party country with a Marxist-Leninist ideology.<sup>17</sup> Then the ideology and many policies were quickly changed and a free election took place in 1991. The 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. However, it is clear that the triggering event must have been external. Even more puzzling is the article about Nicaragua, where the

---

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

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 USSR in the last paragraph.

To get the perspective right, we have used Wikipedia in order to check up on facts about countries, and the economic data have been used as well. The advantage of the Wikipedia is that it tells the history drawing longer lines, so it gives a nice check on the short-run stories in *The Economist*.

#### 4.2 *Coding the stories about system changes*

Table 7 covers the main coding of the stories about the 262 larger jumps. The stories normally cover some of the process leading from the triggering event to the change. The table lists the types of events reported to be important for the jumps. On average, 2.5 such events are listed.

Table 7. Types of events mentioned as important for the 262 larger 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 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

We are looking for the primary event triggering the process. Obviously, the promulgation of a new constitution is not primary but part of the process leading to the change, while the first free election after a period exceeding the normal election period without a (free) election is the jump itself. So, is a coup, or a ruler tightening his rule, e.g., by jailing the leaders of the opposition or canceling the next election.

None of the stories claims that external economic events are important for the jump. They are rarely mentioned, neither in 1973/80, where commodity prices did exhibit dramatic swings nor in 2009/14 during the international banking/debt crisis. We know that, e.g., 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.

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), we say that they have an economic trigger.

Often, *The Economist* mentions that the triggering events happened on the basis of 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.

The key point to note as regards Table 7 is the big variation of the domestic political events. It is easy to further subdivide the list – triggering events are most diverse.

#### 4.3 *At long last: The (2x2) classification of the 262 triggering events*

Table 8 reports the final count in the four cells (1-DP), (2-DE), (3-XP), and (4-XE). If the chain of 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 (1-DP).

Table 8. The 262 triggering events

	Political	Economic
Domestic	215	11
External	40	0

We have found six cases of a successful foreign military intervention made with the explicit purpose of changing a political system.<sup>18</sup> About 100 large changes happened 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 promptly collapsed without the protection. In other cases, the connection is rather weak, as the government decided that it had to make a reorientation to adjust to the changing world order. In such cases, the government did not announce that the reorientation was for international reasons. We take such cases to be due to the background factor of the international ‘climate’.

---

18. Two foreign military interventions (both in Africa) were made by France; one by Tanzania; two by the USA (both in Latin America); and one by Vietnam. In addition 3-4 cases exist where some foreign interference took place, but where it is unclear if it was crucial. Finally, there are 3-4 cases where foreign mercenaries were involved. They may or may not have worked partly for some public agency in their country of origin (see [https://en.wikipedia.org/wiki/Bob\\_Denard](https://en.wikipedia.org/wiki/Bob_Denard)).

## 5. Conclusion

Above we have identified 262 larger political system changes in 170 countries between 1960 and 2015. The fact that the two main sources – the Polity index and The Economist – largely agree that such changes occurred must mean that it is clear *when* the larger changes occurred.

The paper has attempted to identify – within broad classes – what the triggering event was in the 262 cases. In many cases, it is quite difficult. One reason why it is difficult is that the events are rather different and soon enter into a complex process of events. Some of them are poorly documented in our sources. In some smaller countries, such as Burundi, military coups are (relatively) common, and little is written about each of them. In others, such as Chile, there has been only one coup, and a lot has been written about it.

For now, it seems that we can draw one conclusion: Seen from the perspective of economics, triggering events are largely random. However, 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.

## References:

- Acemoglu, D., Johnson, S., Robinson, J.A., Yared, P., 2008. Income and Democracy. *American Economic Review* 98, 808-42
- Andersen, T.B., Jensen, P.S., 2017. Preaching Democracy. WP 4/2017, SDU, Odense, Denmark
- Diamond, D., Plattner, M.F., Walker, C., 2016. *Authoritarianism Goes Global. The Challenge to Democracy*. Johns Hopkins U.P., Baltimore, M.A.
- Economist: <https://ukshop.economist.com/collections/the-economist-historical-archive-1>
- Gundlach, E., Paldam, M., 2009. A Farewell to Critical Junctures. Sorting out the Long-Run Causality of Income and Democracy. *European Journal of Political Economy* 25, 340-54
- Marshall, M.G., Gurr, T.R., Jagers, K., 2016. *Polity IV Project. Users' Manual*. University Center for Systemic Peace. See Polity index for home page.
- Nannestad, P., Paldam, M., 1994. The VP-function: A survey of the literature on vote and popularity functions after 25 years. *Public Choice* 79, 213-245
- Nannestad, P., Paldam, M., 1997. The grievance asymmetry revisited A micro study of economic voting in Denmark, 1986–92. *European Journal of Political Economy* 13, 81–99
- Paldam, M., Gundlach, E., 2017. Jumps into democracy. Integrating the short and long run in the Democratic Transition. *Kyklos* forthcoming, pt. at: <http://www.martin.paldam.dk/Papers/GT-Main/7-Jumps.pdf>
- Polity index: URL: <http://www.systemicpeace.org/polityproject.html>. See also Marshall *et al.* (2016)