A study of triggering events

When do political regimes change?

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Abstract: Political regimes are stable most years, but sometimes they *jump*. The stable years are periods of political status-quo equilibrium. To break a status quo requires a triggering event. The paper is an attempt to identify and classify what close observers at the time thought were the triggering events in a sample of 262 larger regime changes between 1960 and 2015 in 170 countries. The sample consists of all changes in the *Polity index* with a numerical rating above 3 (i.e. of 4 or more). The source for the triggering events is country-relevant articles in *The Economist*. Triggering events are classified in a (2 *x* 2) table with four cells: (DP) *d*omestic *p*olitical, (DE) *d*omestic *e*conomic, (XP) e*x*ternal *p*olitical, and (XE) e*x*ternal *e*conomic, which remains empty. By far the most common is (DP), but the domestic political events prove to be very different. Thus, most jumps are exogenous in the perspective of development.

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1. Introduction: Are triggering events really random?

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

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

The sample is assembled by computing first differences in the *Polity index* from 1960 to 2015. The index has 637 non-zero first differences that are classified as regime changes. They are subdivided into 375 smaller system *adjustments* and 262 *jumps*, which exceed a threshold of three points on the Polity scale, i.e. they are 4 or more points. Thus, the sample is fully transparent, but the reader may wonder if it would have been different if I had used another political index. The Appendix considers Freedom House's FH-index, which picks about 20% fewer larger events, but only 3% new ones. The FH-index has more small changes, including a number of changes considered jumps in the Polity index.

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

Figure 1 illustrates how (1) a triggering event leads to (2) a *political process*, which may run for months, sometimes more than a year. Often, a number of additional events occur in that period, before the *regime jump* (3) takes place. *Background* conditions (4) in the country count during the process. For obvious reasons, the backgrounds of the 262 system jumps cannot be covered within the space of an article.

Figure 1. The concepts used
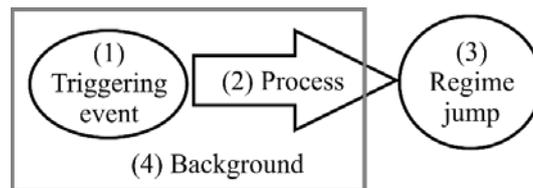
Triggering events are a fraction of a much broader – but ill-defined – class of 'events'. Our source registers 2½ events, on average, per jump, but surely other perhaps relevant events are not covered by the source. It has proven difficult to find out exactly how triggering events differ from other events. All political systems can absorb some events without inducing change, but the absorption may require a regime *adjustment*. I suspected that triggering events would be larger, but that suspicion is not confirmed by the data. Often, a similar event has occurred in a neighboring country, or even in the same country, without triggering a regime change.

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

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

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

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2. The random measurement errors are likely to matter more for the system adjustments; hence, they contribute to the fact that system adjustments are much more difficult to explain than jumps. I should also mention that my coding may add some uncertainty, but I believe that everything is transparent.

2   The literature and the point of departure

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

Figure 2. Kernel regression estimates of the transition curve
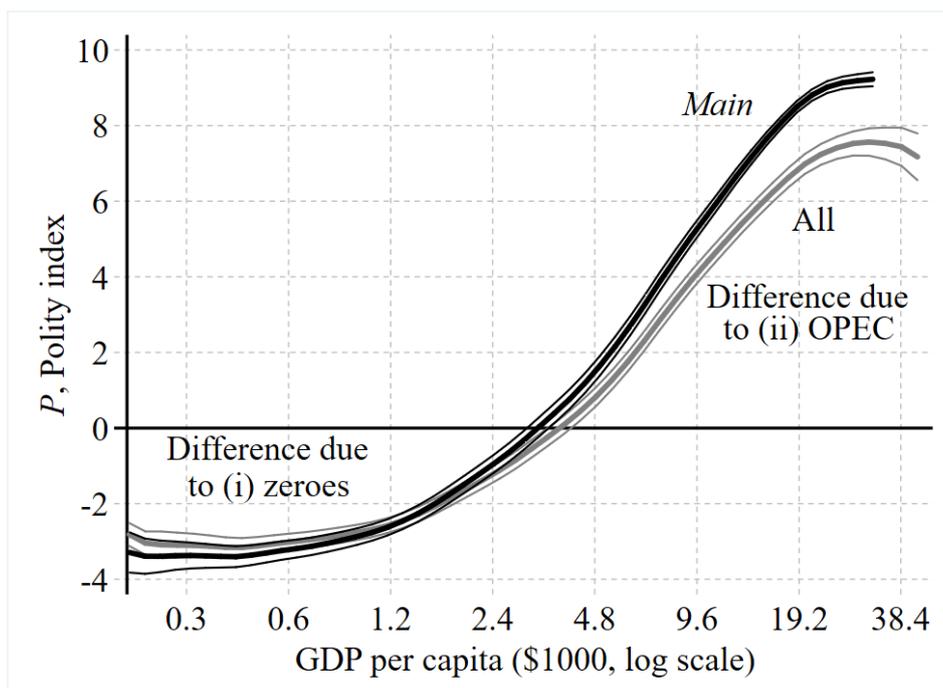
Note: The kernel regression with the bandwidth 0.5, for all data (*N* = 6,997) and the *Main* group (*N* = 6,211), reached after two data reductions: (i) The deletion of 237 zeroes has a small effect; (ii) The deletion of the 561 observations from the OPEC countries makes the top end higher. The curves are surrounded by 95% confidence intervals. Source: Paldam and Gundlach (2018).

2.1   The democratic transition

The democratic transition refers to the strong long-run connection between the political system and economic development shown on Figure 2. It shows the transition from kernel regressions on all 6,997 observations in the Polity data from 1960 to 2015, for which a corresponding income observation is available from the Maddison Project. The curve is flat (with a zero slope) at the two ends: the only political systems with long-run stability are the traditional systems and modern democracies.[3] Countries above/below the transition curve have *too* much/little

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3. Traditional political systems are typically monarchies where the monarch is allied with the small feudal class and the national 'church'. Such systems typically lasts a long time such as 500 years.

democracy. Gundlach and Paldam (2009) demonstrate that the main causal direction in the transition is from income to the political system.

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

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

(A) **Historical studies** of individual countries cover the system jumps in a broader way and include much background about the country. They tell exiting stories that rarely generalize, namely about intrigues of persons within ruling elites, sometimes outsiders, and the events that allowed political actors to set system changes into motion. The triggering events often are waves of demonstrations/riots. They may be explained by widespread grievances, which in many cases had built up over a long time. Owing to the first-mover disadvantage, it needed some random event to erupt, but once it did, it was difficult to stop. Also, revolutions generate euphoria and the lure of utopia. The main problem in this literature is that it is much easier to tell a qualitative ex-post story than to make a quantitative ex-ante prediction.[4]

(B) Studies of particular **types of regimes**. While the start and end of the transition path generalize, the path from one end to the other differs among countries. Many studies have tried to find factors in the economic/political structure of countries that explain the differences. Some authors, such as Haggard and Kaufman (2012), study the relation between democratizations and the income distribution with rather mixed results.[5] Still others study the class structure or the power structure within the elite; see, e.g., Menaldo and Albertus (2018). This literature largely has been bypassed at present.

(C) **Statistical studies** of the relation between democracy indices and income. The literature is summarized in Paldam and Gundlach (2018), who point to a major contradiction: The short- and long-run findings are inconsistent: In the *long run* the political system of a country is a function of its income, as shown on Figure 2. A short-run model should underlie and aggregate into the transition curve, but standard regression techniques find the *short-run* connection to be fickle; see Acemoglu *et al.* (2008). We have generalized the result to a whole set of regression estimators and argue that regression tools are inappropriate for addressing the problem. Income (the log to GDP per capita) follows a nearly linear path. Polity is a bounded,

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4. Some papers try to overcome the ex-post problem by cliometric methods. Aidt and Franck (2015) is a fine example, with many tests that cover the three years leading to the 1832 democratic reforms in the United Kingdom. The analysis tells a story that is unlikely to generalize to other democratic reforms.
5. Others scholars discuss the importance of the cyclicality of democratizations and coups; see Thyne and Powell (2016) and Miller (2016). Paldam and Gundlach (2018) also find cyclicality, which is explained as overshooting.

stepwise constant variable with sudden jumps that may be large relative to the range. Regressions are not meant to deal with the relationship between such variables. To deal with the contradiction, we distinguish between the triggering event and the resulting jump.

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

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

Figure 3. A sketch of the model
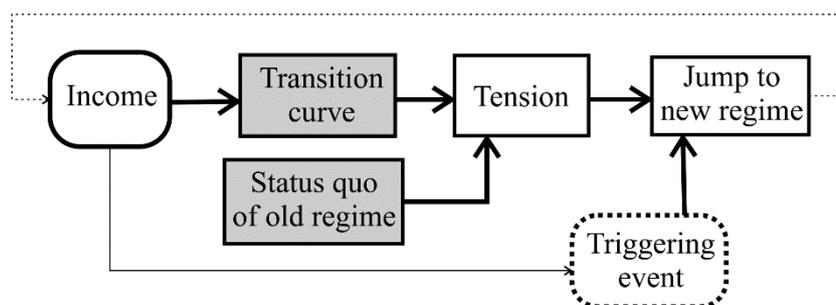
Note: Bold arrows are the main causal links, while thin arrows are marginal. Income causes the transition curve. The difference between the old regime and the transition curve is the tension, which is a key determinant of the jumps caused by the triggering events that happen (almost) randomly. Income is exogenous, the old regime and the transition curve are predetermined. The thin arrow from income to triggering events is the negative result discussed in the text. Source: Paldam and Gundlach (2018).

The model says that the transition path acts as an attractor for the jumps that occur randomly seen in the relevant economic perspective. The model does not explain the small system changes below 4 Polity points. They represent system adjustments, such as those that often happen when, e.g., one general replaces another in a military regime. However, for changes of 4 points or more, termed jumps, the tension variable provides a fine explanation.[6] As long as the triggering events are random, income is the only exogenous variable in the model, but income works through the transition curve that is itself a function of income. About half of the countries are above and the other half below the curve, so the reduced form relation running from income

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

to Polity is weak.

The *negative finding* occurred when we tried to estimate a probit equation explaining triggering events by four variables: The level of income, growth the previous year, growth the last five years and the tension variable. Those variables produced a joint marginal R^2 of about 0.02, of which most was attributed to the income level.

2.4   A note on causality

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

In his book about causality in economics from 1980, John Hicks wrote that 'it is quite proper to say that the unusual lack of balance between the sexes in the population of Britain in the nineteen-thirties was *caused* by the First World War.' He wrote that passage even when he surely knew that a number of books have been written about the complex causes of that war. After more than a century, that complexity is still debated. However, the debates are irrelevant for those dealing with the British population in the 1930s.

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

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

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

3.1   Changes in the Polity index

The Polity index is P_{it}, where i is the country and t is the year.[7] Table 1 provides some counts of the data. P_{it} is an integer in the interval $[-10, +10]$, where a perfect autocracy like Saudi Arabia scores -10, and a perfect democracy like most Western countries scores $+10$. The score zero is used for anarchy, i.e., countries having no political system in place. The use of integers has two explanations:

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

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

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

(i) The P-index is judgmental, and limits exist to the precision of judgment. (ii) Political regimes are constant for most of the time. Regime adjustments may escape notice, especially in autarchies, but the larger changes are unlikely to go unnoticed.

A triggering event occurs when $\Delta P_{it} \neq 0$. If $|\Delta P_{it}| > 3$, it is termed a *jump*, as Polity is an integer it means the numerical change is 4 points or more. Changes to the same side in consecutive years are a *sequence*. The latter is coded as the sum of the changes, which is anchored on the first year. Most sequences last just two years, but a sequence may continue for even four years – most sequences are jumps. The jumps are in 113 countries, while 57 countries have no jumps. The group of stable countries includes almost all developed nations.

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

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

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

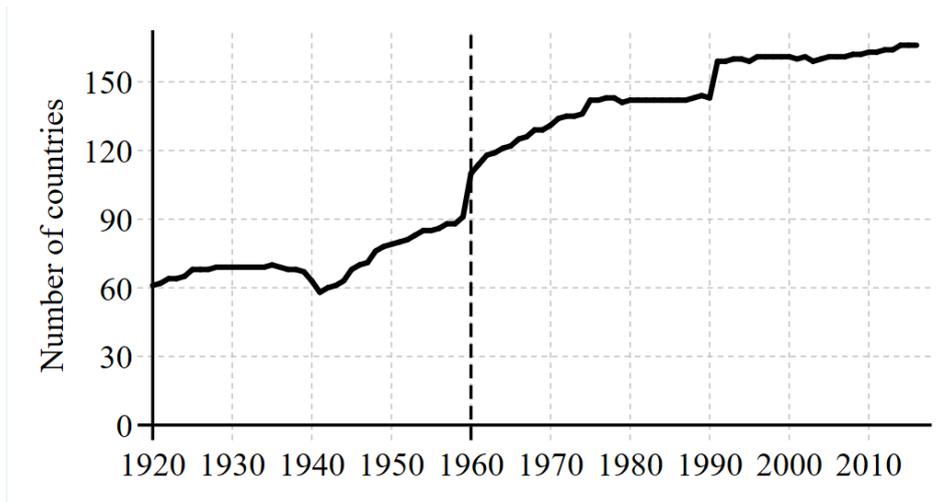Figure 4. The number of countries covered by the Polity data, 1920-2015

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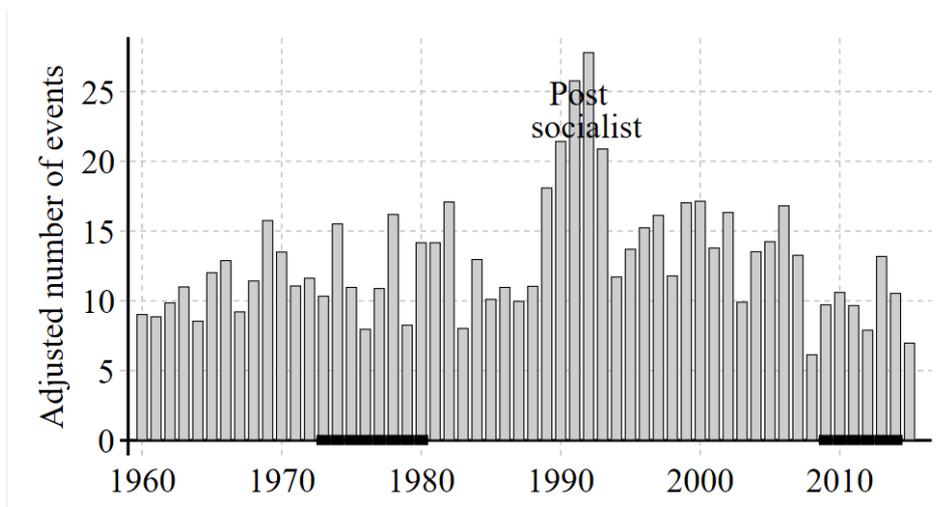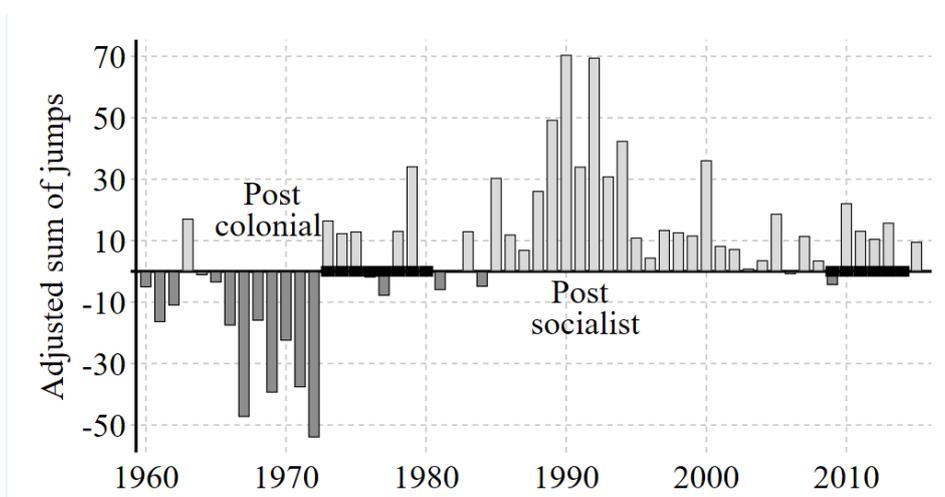

Figure 6. The annual sum of jumps, adjusted, 1960-2015

Note: The adjustment is to impute the number of countries to 142.7 countries for all years. The bold segments on the horizontal axis indicate the periods of the Oil Crisis 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 (Figure 5)		Sum of jumps (Figure 6)	
	Number	Adjusted[a]	Sum	Adjusted[a]
Average	13.20	12.94	7.29	8.45
Std dev	4.92	4.27	23.49	23.14
Median	12	11.8	9.0	10
Trend	**1.01** (2.6)	0.029 (0.8)	**0.579** (3.2)	**0.576** (3.2)

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

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

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

The negative *post-colonial wave*, 1966-1972: The colonial powers liberated many poor colonies in 1960, giving them constitutions that were too democratic, i.e., above the transition curve. During the next 15 years, many of those countries saw one or more triggering events that caused negative regime jumps, i.e., towards less democracy. That was particularly true in the poorest continent, Africa.[8]

The positive *post-socialist wave*, 1989-1993: The Polity index scores most socialist countries at −7, which is below the transition curve that starts at −3.5 even for the poorest countries. Thus, socialist countries had too little democracy, so most post-socialist jumps were positive; see section 4.3.[9]

The two main international economic crises – the oil crisis in 1973-1980 and the bank/debt crisis in 2009-2014 – did not cause peaks in the data. If anything, those events caused small drops in the frequency of regime jumps. That observation helps us understand why the (XE) cell in Table 7 is empty.

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8. The negative jumps in (Sub-Saharan) Africa in the 1960s are: Senegal −6 (1962-1964), Congo Br (for Brazzaville) −11 (1963), Benin −9 (1963-1966), Congo Ki (for Kinshasa) −6 (1964-1966), Burundi −4 (1965-1967) Nigeria −14 (1966), Sierra Leone −13 (1967), Uganda −13 (1967), Somalia −14 (1969), Equatorial Guinea −9 (1969), Kenya −7 (1969), Sudan −14 (1969-1972). That decade saw only two large positive jumps: Sudan +14 (1965) and Sierra Leone +8 (1968). On the confusing names of the two Congos see note 15.
9. We have looked for other waves. The Arab Spring had a large effect in Tunisia only.

3.3 The difference between discrete jumps and sequences

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

Table 3. A comparison of jumps: discrete versus 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 ΔP-points, while the remaining numbers are counts of cases.

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

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

3.4 The grievance asymmetry for system changes

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

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

Table 4. Number of events at different growth rates

		(c1)	(c2)	(c3)	(c4)	(c5)	(c6)	(c7)	(c8)
		Growth rates		Observations		Fraction	Binominal test (%)		Excess
		From	To	Events	All	(c3)/(c4)	(c5) $\geq x$	(c5) $\leq x$	events
Low	(r1)	−∞	−6	61	343	0.178	**0**		31.9
	(r2)	−6	−2	81	565	0.143	**0**		33.0
	(r3)	−2	0	97	702	0.138	**0**		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	∞	40	514	0.078		31.3	−3.7

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

The top panel, in rows (r1) to (r3), shows the effect of below-average growth. There, countries have too many events, as they should if the regime is held responsible for the poor growth performance. In all cells, the excess instability is significantly positive, but it sums only to 102.2 (= 31.9 + 33.0 + 37.3) over 1,610 (= 343 + 565 + 702) observations. That is 6.3%, so the effect is moderate.

The bottom panel, in rows (r6) to (r8), displays the effect of above-average growth. More than half are negative, as they should if the regime is rewarded for good growth performance. However, the 'excess' stability sums only to −7.6 (= 3.1 − 7.0 − 3.7) over 1,843 (= 905 + 424 + 514) observations, which is −0.4%. The positive effect of high growth is small, and insignificant.

The grievance asymmetry is larger for system stability than for government popularity.

4. *The Economist* data: Examples and criteria

This section gives a few well-known examples that fit into the four cells of our (2x2) table. The short stories given in sections 4.2 to 4.5 are parts of the systematic analysis in section 5.

4.1 The articles in The Economist

The articles may be one-paragraph notes or articles of up to two pages. The latter describes some of the process leading to change. If more than one month elapses between the trigger and the eventual change, as is often the case, the story told often is quite complex, which makes it difficult to pinpoint the crucial event starting the process, and I frequently have coded more than one event. That is particularly true when there is a lull in the process. Fortunately, we have to

choose only between the four cells: (DP), (DE), (XP) and (XE) in the end.

A strong impression emerges when reading approximately 270 articles that they deal with *domestic politics* in order to tell newsworthy stories. Even when the magazine is called *The Economist*, it is obvious that the (anonymous) journalists writing the articles are concentrating on the stories, rarely discussing whether the economy mattered. Maybe it did not, as suggested by the negative finding reported at the end of section 2.3, but it could also be a reporting bias. Therefore, all cases in which the economy or external events are mentioned have been coded.[10]

The journalists normally try to identify the triggering event. For reasons of space, the process leading to the change merely is sketched, but one to two important events in the process often are stated. The process is conditional on background factors such as the strength of the regime, but such factors are not included systematically. In some cases, several similar events that did not lead to a jump occurred well before the triggering event. That a particular event became the trigger may be because something went wrong in the process, or background events weakened the incumbent 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,[11] and French voters reelected President de Gaulle after the demonstrations were over. One year later, however, he lost a constitutional reform referendum and resigned. In the same way, the military dictatorship of Chilean President Pinochet absorbed the large wave of popular unrest in connection with the breakdown of the fixed exchange rate policy in 1982-1983.[12] He resigned peacefully in 1988, after narrowly losing a plebiscite on the extension of his rule.

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

Think of Argentina in the two decades from 1965 to 1985, during which the regime experienced four large jumps.[13] The country has a long history of unrealistic economic policies fueled by populism. In the two decades mentioned, Argentina experienced the return and subsequent death of Juan Peron, the so-called Dirty (civil) War, repeated waves of high inflation, several military coups, and lost the Falklands War to the United Kingdom. It later defaulted on

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10. I have made a check of the coding of the countries, using Wikipedia, which devotes one to two pages to the modern history of each country. A few coding errors were found. However, I am glad to say that the sources agree surprisingly well, both with respect to the timing of larger changes and as to their explanations.
11. The events of 1968 in France are examples of large-scale demonstrations/riots that were caused by a wave of utopian beliefs that came and went away for no concrete reason; see section 5.1.
12. The fixing of the peso to the US dollar was an attempt to eradicate the high residual inflation left after the peso's major depreciation in 1972-1975, which was stopped by standard monetary means. The policy had large costs, but inflation did decline.
13. As usual, the large jumps were of a cyclical nature: −8 (1966), +15 (1973), −15 (1976) and +16 (1983).

the national debt; see Tanzi (2018) for a fine survey. Those events did follow from one another, but it is impossible to claim that everything was endogenous, so that the tragic path of events was inevitable given the country's state in 1965. *The Economist* does, in fact, identify triggering events for all four jumps – it is actually quite easy in three of the four cases.

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

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

Figure 7. Four cases of countries that have joined the group of wealthy countries
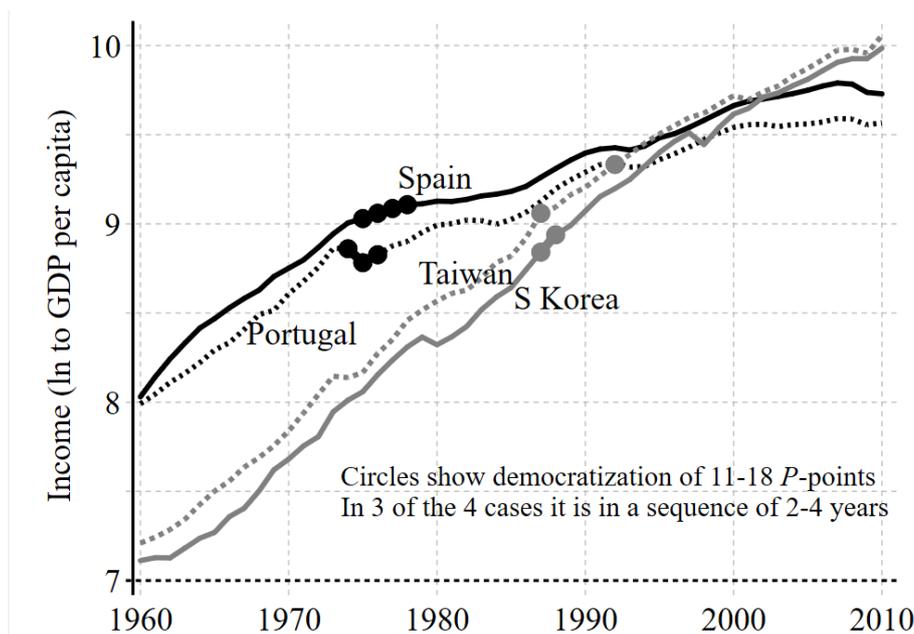
Note: The increases in *P*-points are: (i) 1974-1976 in Portugal (18 points); (ii) 1975-1978 in Spain (16 points); (iii) 1987-1988 in South Korea (11 points); and (iv) 1987 and 1992 in Taiwan (14 points), which is treated as two jumps.

When the jumps occurred, the countries had reached an income level of $y \approx 9 \pm 0.5$, which is less than one log point from the United States. The four countries all had large positive tensions (*too little democracy*), with *P*-scores well below the transition curve when the jumps occurred; the jumps reduced the tension. In two of the cases – Portugal and Spain – the jump overshot the

14

curve, which made the countries *too* democratic for a while until income caught up.[14]

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

The dataset includes nine old socialist countries that left the Soviet Bloc, eventually becoming 28 countries. Table 5 shows a condensed version of the process for their regime jump.

Table 5. The jumps 1988-1992 in the 28 countries – most changes exhibit one big jump

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

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

A great many articles in *The Economist* cover the collapse of socialism and it is, of course, also covered by a large literature (e.g., Paldam 2002). The key event was that the Communist Party of the USSR 'imploded' during 1988-1989 owing 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 as well as in Yugoslavia and Albania that were outside the Soviet sphere. The transitions involved large popular demonstrations in most countries, and a few years later caused serious economic setbacks.

The initial triggering event for all the large jumps listed in Table 5 thus is a political shock that originated in the center and spread throughout the socialist world. Only a few East Asian Communist countries and Cuba managed to protect their regimes against the political wave. All European (or near-European) countries saw large jumps toward democracy, and only

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14. The changes in South Korea and Taiwan happened in overlapping years; and so did the changes in Portugal and Spain. This suggest a common background factor. Andersen and Jensen (2017) provide evidence that the change of Catholic doctrine as regards democracy is such a factor. *The Economist* does no mention this factor.

a few jumped back later on, while the five poor central Asian countries and Azerbaijan, listed at the end of the new Ex-USSR group, remained authoritarian. The events are classified as external political shocks, except in Russia, where the jump was a domestic political shock.

It is reasonably clear what happened in the cases covered by Table 5, but it is less clear what went on in the countries that were distant from the USSR. Two such cases are Nicaragua and Congo Br,[15] which from 1963 was the People's Republic of the Congo. It was a one-party state with a Marxist-Leninist ideology. In 1990, the ideology and many policies changed quickly, and a free election took place in 1991. *The Economist*'s 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.[16] Even more puzzling is the article about Nicaragua, where the Sandinista government allowed a free election in 1990. The article did mention the economic chaos (that included hyperinflation and a debt burden of 10 times GDP). It did mention US pressures, but only a brief remark about the collapse of the USSR is made in the last paragraph of the article.

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

The coup in Chile in 1973 produced a jump in 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 Salvador Allende's 'Unidad Popular' government had created both high hopes and a severe crisis because of its utopian economic policies:[17] Real GDP was falling, and the inflation rate was fast approaching hyperinflation, producing major waves of demonstrations and counter-demonstrations organized by the parties of the ruling bloc.

The coup-makers were the heads of the army, navy and air force, and its stated purpose was to save the nation from economic chaos. There is no reason to believe that the coup-makers did not mean what they said, so the triggering event was the economic mismanagement of the democratically elected government, well in accordance with coverage in *The Economist*. Thus, it is classified as a domestic economic trigger.[18]

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15. The two Congos have had several names. To prevent confusion they are referred to by the first two letters in their capitals Brazzaville and Kinshasa: Congo Br was the Republic of Congo before 1963, then it became the Peoples Republic of the Congo until 1990, whereupon it returned to its old name. Congo Ki was the Democratic Republic of the Congo until 1971, then it became Zaïre until 1997, when it reverted to its old name.
16. Here, I could not resist deviating from the source and make the jump external political.
17. Chile is home to many fine economists, but none of them were associated with the Allende government, which disliked economic theory in general and neoclassical theory in particular.
18. When Chile reverted to democracy in 1988-1989 in a two-year sequence of two upward jumps of +5 and +9 polity-points, the change was caused by domestic political events.

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

5.   The triggering events

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

5.1   The detailed count and the problematic element of exogeneity

The format of *The Economist* demands that the articles are of moderate size. Thus, the journalists have looked for the event they think represents the start or an important part of the story. I interpret the journalists' missions as attempts to identify events with an element of exogeneity, but, of course, the journalists do not try to say how salient any element is.

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

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

Some of the events are (almost) fully exogenous in the context of specific countries, such as the wave of post-communist transitions beyond the borders of the Russian Soviet Republic. Almost 100 large changes happened during 1989-1992 in connection with the collapse of the USSR. In some of those cases, the USSR (or Yugoslavia) was the protector of the government that collapsed when protection was withdrawn. In other cases, the USSR was a distant supporter, but the government of the country decided that it had to adopt to the new world order. Thus, the 1988-1992 period saw a widespread diffusion of ideas and beliefs: socialism went out of fashion.

Other such waves have happened, like in the revolutionary year of 1848,[19] the youth revolution of 1968, and the (failed) Arab Spring of 2010. They are difficult to handle in a systematic way, as the mysterious concept of *zeitgeist* is an important part of the story. Other demonstrations/riots might have more limited elements of exogeneity.

Sometimes a government decides to take a (major) step towards or away from democracy. Some reasons must underlie such transitions, but the inside stories typically are not well known, so in our perspective they are exogenous.

The sample contains seven cases of successful foreign military interventions for the explicit purpose of changing a country's political system without modifying its borders. In those cases, the intervention was caused by domestic circumstances, notably human rights' violations, but once again, in none of the cases the system change came immediately after a sudden deterioration in the human rights.[20] Vietnam's invasion of Cambodia did oust the regime of the Khmer Rouge, but only after it had killed about 20% of the population, and the excuse for the invasion was border 'incidents'.

Most coup-makers issue a proclamation after they have occupied the national broad-casting center. Such proclamations may reflect what the coup-makers think, but normally they are a great deal loftier than the actual goals of the new men seizing power. No one ever admits that the coup-makers have exploited an opportunity to capture the keys to the national treasury! The articles in *The Economist* often report the coup's announced motives and speculate about the true intentions when a gap seems obvious. The most common declared motive is to stop the wheeling and dealing of corrupt politicians. It is part of the military ethos that officers are upright

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19. A large literature discusses the revolutionary wave of 1848. It proposes various explanations. Berger and Spoerer (2014) survey the literature and claim that the wave was due a sudden international economic crisis, contrary to our findings for the period after 1960. Aidt and Jensen (2014) propose that democratizations in 1948 were due to an international wave of revolutionary zeal, which is a nice example of an external political trigger.

20. France (2), Tanzania (1), the United States (3) and Vietnam (1) led the foreign military interventions. In addition, some foreign interference took place in three to four cases when it is unclear that the intervention was crucial. Finally, foreign mercenaries were involved in another three to four cases. The mercenaries may have worked for or with a state agency in their country of origin (see https://en.wikipedia.org/wiki/Bob_Denard).

and honest. Such declarations are domestic/political in nature. However, if the motive is declared to be an economic crisis and the country does have a crisis, the jump has an economic trigger.

Often, *The Economist* mentions that the triggering events happened because of an unsatisfactory economic development, but by then things typically had been bad for a long time. It is common that economists note that the gradual slowing down of the USSR's growth may have had a causal relation to the big collapse of the late 1980s and early 1990s, but the country's economic decline had been going on for 20 years or more; the regime's final unraveling itself took only two to three years.

None of the stories claim that external economic events are important for precipitating jumps. They are mentioned rarely, neither in 1973-1980, when commodity prices exhibited dramatic swings, nor in 2009-2014 during the international banking/debt crisis. The copper-price drop after the Vietnam War did affect the economic developments in Zambia and Chile, but it appears to have had no influence on the two countries' regimes.

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

5.2   The summary table

Table 7 reports the final counts in the four cells (DP), (DE), (XP) and (XE) of our 2 x 2 matrix. If the chain of events going from the triggering event to the jump is within the political sphere, as is often the case, there is no doubt that the triggering event is domestic (cell DP).

<p align="center">Table 7. The 262 triggering events</p>

	Political	Economic
Domestic	215	11
External	40	0

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

6.   Conclusion

The paper looks at 262 major political system changes in 170 countries between 1960 and 2015. Our two sources – the Polity index and *The Economist* – agree on the timings of the changes. The paper then attempted to identify – within broad classes – the source of the triggering event in the 262 cases, using the relevant articles in *The Economist* in the identification. That, admittedly, is a narrow source, but it is available throughout the sample period (1960-2015) in a fairly consistent way, and the format of the journal forces the journalists to concentrate on the important events.

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

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

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

The sample of major regime changes includes all differences over the threshold of three points (i.e., for 4 or more points) in the Polity index from 1960 to 2015, as explained. The threshold is chosen according to the model in Figure 3. Within those frames, the sample is transparent and complete.

Other political regime indices exist. Some are binary, but others are based on scales allowing a selection of the larger changes. The alternative indices yield alternative data samples. Most large changes surely would be included in all samples, but some Polity jumps would have been excluded, and other extra jumps would have been identified. As long as those differences are random relative to Table 6, they would not have influenced the results.

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

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

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