

## **Chapter 7: Suffrage without Democracy**

Before the nineteenth century, medieval parliaments represented the interests of major landholders: the church, nobility, and relatively wealthy merchants and farmers. Those sitting in parliament gained their seats through a mixture of hereditary, appointments, and elections based on narrow suffrage. The subset of the members that were elected to their offices often ran unopposed and represented, for the most part, locally powerful families. Those eligible to run for office often had to be relatively wealthy men, both as a formal condition of eligibility, and in order to be able to afford to attend meetings of parliament, members of which were not directly paid for their services. There were no professional members of parliament, per se, although members with jobs in the capital city often invested considerable time and energy in parliamentary activities. Those eligible to vote in elections varied among localities, but suffrage for the wealthiest 5–10 percent of taxpayers was fairly common. Elections for office were normally public through physical divisions (all those in favor of “x” stand over there) or by voice vote. Literacy was not extensive in the early days of parliament and both paper and printing were expensive.

Parliaments, themselves, met irregularly and only for relatively short periods. Not all members would attend the meetings called, because travel was difficult in those days and the issues were not always important, although in some cases proxy (weighted) voting was allowed for those not able to attend. Many members of parliament earned their living through positions in the national bureaucracy or local governments, or were simply employees of large estates or commercial firms. Kings would sensibly appoint persons who generally voted the “correct” way to the national bureaucracy and to their advisory councils. This allowed kings to know what parliaments were up to and to influence a significant block of votes that would reliably attend the meetings of parliament. As a consequence, the men elected to the “commoner chambers” often represented noble or royal interests, although the majority did not hold noble title.<sup>56</sup>

Such dynastic political systems tend to reduce political competition, which in some settings can promote economic development by reducing wasteful forms of political conflict, as noted above. The economic regulations that the medieval parliaments adopted (or accepted) also tended to reduce economic competition through various land and market privileges, and through restrictions on labor

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<sup>56</sup> Local governments often had a more representative structure than national governments. City-states were often republics ruled by narrowly elected councils, rather than formally hereditary rulers. Farm villages often made local policy decisions at broadly attended town meetings.

mobility. These restrictions created economic property rights that were quite different from contemporary Western property law, at the same time that they tended to create substantial economic and civic inequality. Indeed, history suggest that the privileges and legal practices evolved to support royal and noble authority and to protect the economic rents of local elites in a manner consistent with the theory of regional governance developed in the first chapters of part I.

The next two chapters analyze possible rational choice–based explanations for changes in the procedures through which members of parliament are chosen. Chapter 7 helps to explain why medieval parliaments in which a significant number of members were elected did not automatically produce democratic rule. Neither rising income nor popular revolution are likely to be the main explanation for the lawful and gradual expansion of suffrage, even when suffrage law is entirely controlled by elected members of parliament. Chapter 8 provides an indirect explanations for suffrage reform based on shifts in ideological and economic interests.

### **A. A Narrowly Elected Parliament’s Disinterest in Electoral Reform**

Given the medieval composition of parliaments, including their house(s) of commons, a natural point of departure for analysis of suffrage reform is one in which the privilege of voting for representatives is defined by wealth or income. In most cases, parliaments were free to organize themselves without direction from the king (although not necessarily without royal interest or influence), and so royal support or opposition to electoral reform can be neglected in order to focus on parliamentary incentives for electoral reform. The stability of medieval political-economic systems suggests that parliamentary systems are not necessarily destined to evolve from aristocratic regimes into parliamentary democracies.

It is important to note that a general disinterest in suffrage reform within parliament does not require royal veto threats, inordinate noble or royal control over parliament, or extreme institutional conservatism, although these may also counter any impulse for suffrage reform that emerges. It turns out that both the pivotal voter and the pivotal member of parliament are very likely to be completely satisfied with the existing suffrage laws, if they have only pragmatic policy interests. To see this, we need to analyze the kinds of policies that a narrowly elected parliament would favor; and given those policies, what preferences for suffrage laws look like at the level of the pivotal or median voter.

### Voter Demands for Government Services

Consider the following highly simplified model of parliamentary decisionmaking under preexisting suffrage laws in a setting otherwise lacking medieval features. Suppose that citizens have preferences defined over private consumption,  $X_i$ , and a bundle of public services,  $G_i$ , that are uniformly available to all within the community,  $U_i = u(X_i, G_i)$ . Each citizen has an endowment of labor,  $L_i$ , and capital,  $K_i$ . National income  $Y$  is produced via constant returns to scale using labor and capital under technology  $Z$ . This implies that national income can be represented as  $Y = f(\sum L_i, \sum K_i, Z)$ . In cases, in which markets are competitive, each person would receive his or her marginal product, with wage rate,  $w = df/dL$ , and return on capital,  $r = df/dK$ . In less competitive settings, wages would differ from marginal product. In either case and citizen  $i$ 's income can be represented as  $Y_i = wL_i + rK_i$ , and  $Y = \sum Y_i$ .

Let  $C = c(G, Z)$  be the rate of transformation between private consumption good  $X$  and government service  $G$ . This implies that private consumption,  $X$ , can be characterized as  $X = Y - c(G)$ . Assume that government services are funded with a proportional tax on income just sufficient to fund the service level demanded,  $tY = C(G_i)$ . In this case, the citizen-voter will prefer the service level that maximizes:

$$U = u( (1 - C(G_i, Z)/Y) Y_i, G_i ) \quad (7.1)$$

which requires service level  $G_i$  to be such that:

$$u_x( (1 - C_G / Y) Y_i + u_G = 0 \quad (7.2)$$

The implicit function theorem implies that the typical citizen's demand for government services is determined by:

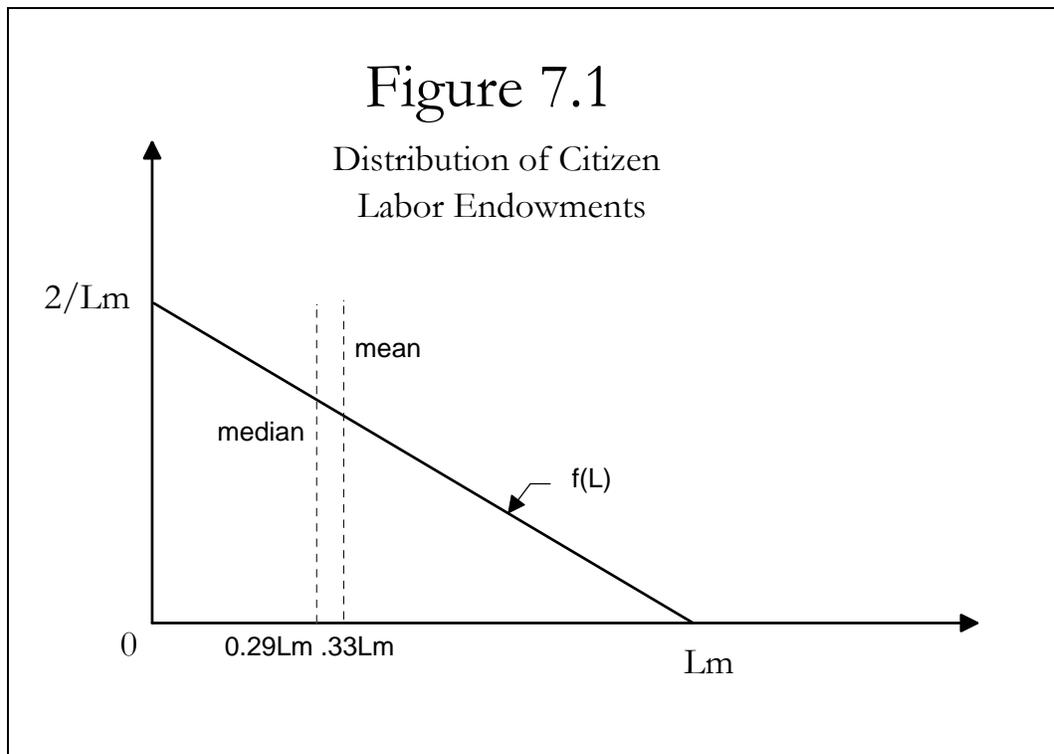
$$G^* = g( wL_i + rK_i, Y, Z) \quad (7.3)$$

Each citizen demands services based on his or her endowment of labor and capital, the marginal product of those inputs and national income. Because only the initial endowments of productive inputs vary by person in this model, it is the variation in the initial endowments that determines the distribution of citizen demands for government services. Suppose that the frequency distributions of labor and capital are approximately independent and can be approximated with

triangular distributions, with labor endowments distributed between 0 and maximal labor endowment,  $L^M$ , where  $l(0) = 2/L_M$  and  $l(L_M) = 0$ , and capital endowments distributed between 0 and maximal capital endowment  $K^M$  with  $k(0) = 2/K_M$  and  $k(K_M) = 0$ .

*The Median Voter Is Determined By Suffrage Law*

Figure 7.1 depicts a triangular distribution of labor endowments and labor-based incomes. The triangular assumption is not crucial for the present analysis, but does assure that voter interests differ somewhat and that median income is below average income, as tends to be the case in most observed income distributions, particularly in societies with little occupational mobility.



The distribution of income,  $Y_i$ , can be written as  $Y_i \sim rL_i + wK_i$  within the domain of realized incomes.<sup>57</sup> The mean of this income distribution is  $Y_A = (rK_M + wL_M)/3$  and its median is  $Y_v = (wL_M + rK_M)(2 - \sqrt{2})/2$ .<sup>58</sup>

<sup>57</sup> The sum of two linear monotone decreasing functions is also linear and monotone decreasing.

<sup>58</sup> The two triangular density distributions can be written as  $F_L = (2/L_M - 2L/L_M^2)$  and  $F_K = (2/K_M - 2K/K_M^2)$ . Average income is denoted  $Y_A$  and can be characterized with:

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In a polity in which all citizens are eligible to vote and a median voter exists, two-candidate or two-party competition for office tends to converge to the policy preferences of the median voter. In most contemporary models, the median voter can be represented as the *citizen* with the median endowment of capital and labor.

The median voter is, however, not always the citizen with median endowments or income, because the distribution of endowments among potential voters may differ from that of the persons lawfully entitled to vote. In modern democracies, suffrage eligibility is determined by citizenship and age, with the consequence that the median voter is older than the median citizen. (Children and foreign nationals cannot vote.) For much of the history of parliamentary systems, eligibility to vote was determined by tax payments and/or land ownership, as noted above. In the medieval context, the median voter was generally a citizen with much greater income than that of the median citizen.

In the context of model, suffrage restrictions simply change the identity and service demand of the pivotal voter. Suppose that citizens are allowed to vote whenever their labor-based tax payment is greater than  $T^L$  or their capital-based tax payment is greater than  $T^K$ . Suppose that the tax constitution limits taxes to a single rate sufficient to pay for government services,  $t = c(G^*, Z)/Y$ . Whether a person qualifies as a voter or not in this case varies both with his endowment of productive assets and the government service level. That is to say, citizen  $i$  can vote if his quality-adjusted labor endowment,  $L_i$ , satisfies  $twL_i > T^L$  or if his capital,  $K_i$ , endowment satisfies  $rK_i > T^K$ , where  $t$  is the prevailing average tax rate,  $w$  is the typical wage rate and  $r$  is the rate of return on capital.  $L_i$  can be thought of as the quality of citizen  $i$ 's labor endowment, which varies with his education, experience, and health. (Women could rarely vote before 1900.)

Note that it is possible to shift between tax payment and endowment-based suffrage laws without modifying the basic structure of the model. Given the prevailing national prices for capital

$$Y_A = \int_0^{L_M} wL(2/L_M - 2L/L_M^2)dL + \int_0^{K_M} rK(2/K_M - 2K/K_M^2) dK$$

or

$$Y_A = (rK_M + wL_M)/3$$

The medians of labor and capital distributions are  $L_v = L_M(2 - \sqrt{2})/2$  and  $K_v = K_M(2 - \sqrt{2})/2$ , respectively, given the assumed triangular distributions. Median citizen income is, consequently,  $Y_v = (wL_M + rK_M)(2 - \sqrt{2})/2$ , where  $w$  and  $r$  again reflect the marginal product of labor and capital for the total employment of labor and capital. Note that  $(2 - \sqrt{2})/2 = 0.2929 < 1/3$ ; median income is less than average income. Triangular distributions are skewed distributions with different modes, means, and medians.

and labor, citizens with a labor endowment greater than  $L^E$ , with  $L^E = T^L/tw$ , or with a capital endowment greater than  $K^E$ , with  $K^E = T^K/tw$ , are able to vote.

Eligibility to vote in such systems is partly based on endowments, partly on productivity (insofar as marginal productivity is reflected in wage rates and the return on capital), and partly on the general price level. For the present analysis, assume that the economic determinants of wage rates and the rate of return on capital are stable. This would tend to be the case in economic steady states and for short-run analysis, for which it is normally assumed that a constant supply of capital and labor is employed using a particular production technology.

Under these conditions and a triangular distribution of the endowments,  $L_V$  and  $K_V$ , the median holding of capital and labor will satisfy:

$$\begin{aligned} & T^L/tw \int^{L_V} w(2L/L_M - L^2/L_M^2) dL + T^K/tw \int^{K_V} r(2K/K_M - K^2/K_M^2) dK \\ & = L_V \int^{L^M} w(2L/L_M - L^2/L_M^2) dL + K_V \int^{K^M} r(2K/K_M - K^2/K_M^2) dK \end{aligned} \quad (7.4)$$

in which case, the median voter's income is:

$$Y_v = ( w (L_M - T^L/tw) + r (K_M - T^K/tw) ) ( 2 - \sqrt{2} ) / 2. \quad (7.5)$$

and he or she will demand service level:

$$G^* = g( Y_v, Y, Z) \quad (7.6a)$$

or

$$G^* = \gamma( L_v, K_v, T^L, T^K, Y, Z) \quad (7.6b)$$

Note that *suffrage rules partly determine government policies* by determining the identity of the median voter and the composition of parliament.

### *A Pragmatic Median Voter's Lack of Interest in Suffrage Reform*

Suffrage laws in most polities can be modified through acts of parliament. Equation 7.6b allows the present median voter preferences over election law to be characterized with the indirect utility function:

$$U_v^* = u(1 - C(\gamma( L_v, K_v, T^L, T^K, Y, Z), Z)/Y) Y_v, \gamma( L_v, K_v, T^L, T^K, Y, Z) \quad (7.7)$$

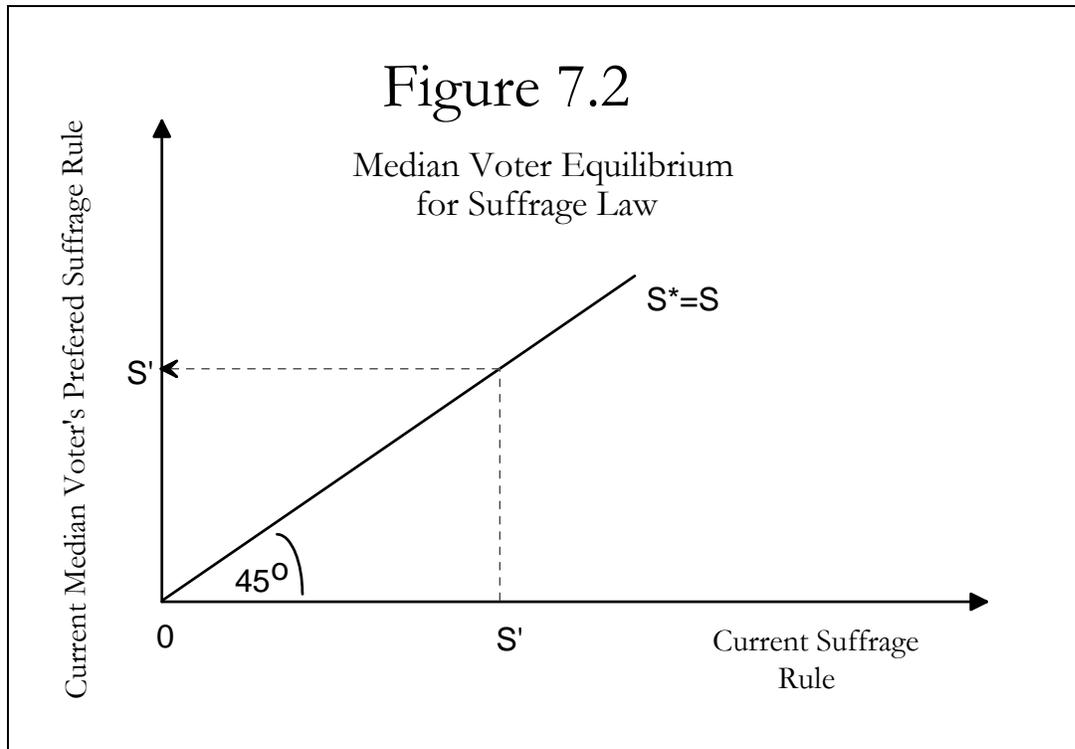
Differentiating equation 7.7 with respect to  $T^L$  and  $T^K$  and applying the envelope theorem allows the first-order conditions for the median voter's optimal suffrage laws to be characterized.

$$U_V^*_{TL} = (u_X C_G - u_G) G_\gamma \gamma_{TL} = 0 \quad (7.8a)$$

$$U_V^*_{TK} = (u_X C_G - u_G) G_\gamma \gamma_{TK} = 0 \quad (7.8b)$$

Equations 7.8a and 7.8b imply that the present suffrage qualifications  $T^L$  and  $T^K$  are *already optimized for the present median voter*. No other combination of wealth requirements for suffrage will generate a better service-tax combination for the pivotal voter, because the present value of  $G^*$  maximizes the median voter's welfare under the present electoral laws (and the assumed tax constitution).

The median voter at a given point in time is completely satisfied with the existing suffrage law,  $S'$ , because these made him the pivotal voter! Other things being equal, the present median voter is content to be the median voter and has no interest in enacting laws that will "worsen" policy by creating a new pivotal voter. *The use of majority rule to select members of parliament and/or within parliament for selecting policies does not by itself generate a political impulse for universal suffrage.*



*Economic Growth Cannot by Itself Induce Liberal Suffrage Reform*

During periods of economic growth, income and tax payment based suffrage laws tend to become less restrictive through time as capital is accumulated and government services expand, because these tend to increase income, wealth, and tax payments. Technological advance further increases income by increasing the productivity of labor and capital, and in many cases land as well. Wealth-based rules for suffrage consequently imply that a somewhat larger electorate and somewhat new median voter tend to emerge in every election cycle during periods of economic growth and during periods of economic contraction.<sup>59</sup>

The direct electoral effect of economic growth on suffrage under stable tax- or income-based suffrage rules thus tends to make the present median voter somewhat worse off. After all, it is only by being the median voter that a particular citizen can realize his or her most preferred government service levels. Consequently, the median voter's desire to maintain his position as median voter is not entirely compatible with a stable set of tax- and wealth-based rules for voter eligibility in a setting in which wages or returns from capital increase through time.

Perhaps surprisingly, if the present median voter always had his (or her) way on suffrage reform, economic progress would tend to be associated with electoral rules that gradually become *more demanding*, rather than less demanding, through time. A forward-looking median voter would be inclined to tighten the eligibility rules for suffrage by increasing the wealth or income requirements for electoral qualification, so that he or she remains the median voter as economic growth takes place.<sup>60</sup>

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<sup>59</sup> This purely economic route to suffrage expansion in periods of rapid growth can be as important as major reforms of suffrage laws. This method of obtaining suffrage was historically important in the United Kingdom and Sweden, where suffrage rates approximately doubled, largely as a consequence of income increases, rather than suffrage reform.

<sup>60</sup> There are a few historical cases in which suffrage reforms gradually introduced more restrictive qualifications for the right to vote. For example, in 1620–63, there was essentially universal free male suffrage for selecting the members of Virginia's colonial parliament (although restricted somewhat by a poll tax), after which suffrage was limited to "freeholders" and increasingly restrictive definitions of freeholder were introduced. By 1736 the franchise was limited to white male Protestant freeholders (owning at least a 100 acres of land) and who were 21 years of age and resided in the counties in which they offered to vote. See McKinley (1905: ch. 2). Similar reductions in the scope of suffrage were also common in the other colonies in the early eighteenth century.

## B. Taxation Through Representation as a Motivation for Suffrage Reform

The tax constitution implicit in the model used to this point allows the government to tax anyone that it wishes, although all taxpayers must be taxed at the same rate and upward revisions of that rate are subject to parliamentary veto.

Suppose instead that the tax constitution limited the tax base to those with the privilege of suffrage. That is to say, suppose that it allowed direct taxation of only those directly represented in parliament. Such reasoning clearly played a role in the early European and American theories of representation, insofar as only substantial taxpayers were given the privilege of voting and were eligible for positions in parliament and those not represented were not directly taxed. Similar logic also applies to settings in which territorial boundaries limit the tax base and electorate. If a group petitions to be included in a polity, it normally negotiates for representation and suffrage rights along with its new tax obligations. In such cases, suffrage rules simultaneously determine the identity of the median voter and the tax base available to the polity.

When a polity's tax base is affected by the degree of suffrage, the present median voter and his representative in parliament may have a practical fiscal interest in suffrage reform. The median voter's ideal suffrage level in this institutional setting can be characterized by modifying equation 7 to take into account the effect of changes in suffrage on the tax base  $Y$ . Let  $Y$  be redefined as the size of the income tax base, which under the assumed tax constitution is a decreasing function of the wealth or income-tax qualifications for suffrage,  $Y = y(T^L, T^K)$ . Changes in suffrage laws will generate a new median voter who will have different demands for public services and also for suffrage laws. The fiscal effects of the new median voter is accounted for by the implicit function describing  $G^*$  and in the cost-sharing rule through effects on the ratio of median income to national income  $Y_v/Y$ .

The present median voter's own income,  $Y_v$ , is not affected by changes in suffrage although his future tax price for government services is affected. The present median voter's preferred suffrage eligibility rule now maximizes:

$$U_v = u([1 - C(G^*, Z)]/y(T^L, T^K))Y_v, G^* \quad (7.9)$$

$$\text{with } G^* = \gamma(L_v, K_v, T^L, T^K, y(T^L, T^K), Z)$$

which requires:

$$U_{vTL} = [u_x(-C_G/Y)Y_v + u_G]G^*_{TK} + u_x[Y_{TL}C(G^*)Y_v/Y^2] = 0 \quad (7.10a)$$

and

$$U_{VTK} = [u_X (- C_G / Y) Y_v + u_G]G^*_{TK} + u_X [( Y_{TK} C(G^*)Y_v/Y^2 ] = 0 \quad (7.10b)$$

The first set of bracketed terms are the effects of increased suffrage restrictions on government services and the costs of those services; the second set of bracketed terms characterizes the effect of suffrage restrictions on the overall tax base.

Consider, first, the case in which the income of the new median voter is approximately the same as that of the present one. This case might arise, for example, when non-income-based requirements for suffrage are relaxed. Another territory may join a confederation; suffrage may be extended to another profession or organized interest group; residency, race, or sex qualifications may be dropped. In such cases, the marginal effects of suffrage rules on  $G^*$  can be neglected, because the new distribution of voters has approximately the same median voter,  $u_X (- C_G / Y) Y_v + u_G = 0$ . In that case, equations 7.10a and 7.10b imply that the median voter will expand suffrage until the *tax base is maximized*, which occurs at the point where  $Y_{TL} = Y_{TK} = 0$ . In the limit, essentially all taxpayers may be allowed to vote in this case, although not nontaxpayers.

In the case in which the income of the new median voter is expected to differ from the present one, service levels and tax rates will change. In this case, the first-order conditions imply that the present median voter will tradeoff advantages from a greater tax base (and lower tax rates) against marginal losses from changes in government services. Note that it is possible that no reform of suffrage laws will be adopted in such cases, in spite of the advantages of a broader tax base. The marginal losses from new service and tax levels may be larger than the median voter's marginal tax savings from a somewhat broader tax base. Only if the anticipated tax savings more than offset marginal losses from "suboptimal" service will suffrage be expanded.

In the later case, however, reforms may still be blocked. It is possible that all successive median voters would prefer continued expansion of the tax base. A slippery slope may be said to exist in such cases, because an initially small increase of suffrage might be gradually expanded to include all taxpayers as a series of suffrage expansions are adopted and ratified by successively poorer median voters. Economic growth could play a role in such "slippery slopes" for suffrage reform, insofar as economic development increases the wealth and tax worthiness of relatively low income citizens. Note, however, that a forward looking median voter, who felt that the resulting fiscal package was inferior to the initial one would be inclined to block otherwise desirable suffrage reforms to avoid

the slippery slope. In either case, suffrage laws are stable only if a median voter is reached that opposes further changes in suffrage.

These tax-base explanations of suffrage expansion are internally consistent, but they depend upon a somewhat strong assumptions about median voter expectations and the existence of a peculiar tax constitution under which only the enfranchised can be taxed. In most cases, breaking the link between tax payments and suffrage and simply expanding taxation without expanding suffrage would have broad support within parliament. Changing the tax base would expand the potential scope of public services, salaries, honors, and so forth for all those currently eligible to vote without the undesirable policy effects of a new median voter and median representative.

Given this, most members of parliament would *vote to eliminate a suffrage-based taxation restriction*, and nonvoters would be taxed without expanding suffrage. A suffrage-based tax constitution tends to be unstable.

### *Practical Difficulty of Fine Tuning Electoral Laws*

It also bears noting that the members of parliament tend to have an interest in preserving the suffrage laws that brought them to office. Changes in the rules governing suffrage are major policy decisions that are likely to change existing coalitions of political interests in each district or party. Consequently, debate on suffrage issues tends to be extensive and normally runs through several parliaments. The rules that determine voter qualifications are usually more difficult to change than ordinary policies are, because they are quasi-constitutional in nature. This increases the stability of suffrage laws beyond that implied by the median voter's pragmatic interest in continuing to be the median voter.

The stability of suffrage law is further reinforced by the institutional conservatism of both voters and members of parliament. It is clear that political uncertainty would increase if election laws were routinely revised every time that parliament met. Risk aversion among the members and their voters supports stable suffrage laws, other things being equal. Stable electoral systems may be further supported by widely held norms that include stability, predictability, and tradition as desirable features of existing political systems, especially among those already entitled to vote. Moreover, stable election laws also reduce the ability of a temporary majority to capture parliament and thereby governance permanently (Congleton 2003a). The median member of parliament is, thus, inclined to resist changes in suffrage law.

Differences in individual circumstances, tastes, and ideology, however, imply that many citizens tend to be dissatisfied with the present rules governing suffrage, including many who are entitled to vote. For example, voters with relatively large capital, land, or labor holdings tend to prefer more restrictive rules. Voters with smaller endowments tend to prefer less restrictive rules. For these dissatisfied citizens, election law reform can potentially generate a new median voter whose preferred policies are closer to their own.

### **C. Protests, Revolutionary Threats, and Suffrage Reform**

Given the absence of “spontaneous” economic pressures for reform, those not represented in government may try to organize themselves to press for reform through persuasive means and in extreme cases to threaten a revolution against the present institutional arrangements. Both types of organizations are difficult to organize, because those whose interests are advanced by the current institutions of government are already organized in a manner that allows them to oppose such efforts. Persuasive campaigns are likely to attract less attention from government than revolutionary ones, because the risks are smaller for those favoring the status quo. A persuasive campaign, as such, only exposes proponents of the status quo to unpleasant arguments.

#### *Organizing a Peaceful Persuasive Campaign*

Politically active interest groups are organized for reasons similar to those of other organizations. There are economies of scale that can be realized by developing persuasive arguments, organizing meetings of persons with shared interests, in lobbying members of parliament, and in organizing peaceful demonstrations that reveal the breadth of support for a given policy or reform. Formateurs, thus, may attempt to form political organizations if they can “profit” from such organizations either financially or by significantly increasing the likelihood of desired reforms.

Game matrix 7.1 illustrates how rewards and penalties can be used to encourage and discourage political organizations and public protests. The game to the left of the matrix is the “natural” assurance game of political organization. The game to the right characterizes how rewards,  $R$ , and penalties,  $P$ , can be engineered to encourage or discourage participation in the political organization. (To simplify the exposition, it is initially assumed that both rewards and penalties are realized with certainty.)

<b>The Assurance Game for Popular Demonstrations</b>			<b>Table 7.1</b>		<b>Organizational Solution for Popular Demonstrations Opposed by Government</b>	
	Potential Protester B			Potential Protester B		
	Protest	Stay Home		Protest	Shirk	
Protest (A)	3, 3	0, 0	Protest (A)	$3+R - P, 3+R-P$	R-P, 0	
Stay Home (A)	0, 0	$1, 1$	Shirk (A)	0, R-P	1, 1	
Exit (A)	1, 1	1, 1	Exit (A)	1, 1	1, 1	

The cell entries are utilities, the rank order of subjective payoffs for the team members (A, B). In the “natural case,” it assumed that both team members shirk, for example, conduct their ordinary private lives.

The potential gains from organization are 4 units in the illustration,  $(3+3) - (1+1)$ . These unrealized gains imply a formal political organization can potentially be fruitful for its members and leadership. In the absence of governmental opposition ( $P=0$ ), rewards greater than 1 unit are sufficient to induce attendance at the organization’s meeting or mass demonstration.

If, however, formateurs can provide a reward of  $R>P+1$  in the “Protest Game” participants will find it to their private advantage to assemble at the designated time and place and participate in public demonstrations supporting suffrage reform or other policy changes. It is partly to increase  $R$  that political organizers often include music, food, rousing speeches, prayers, and other forms of entertainment at their meetings and mass demonstrations in settings in which expected penalties are small. The required coordinating reward decreases when the organized forms of political expression are enjoyable activities for significant numbers of persons, or if participation in large gatherings of persons who share “important goals” is satisfying or comforting for the participants.

Efforts to organize groups favoring major policy and procedural reforms are often opposed by the persons already represented in government, because they benefit from current policies. Their representatives can, for example, pass laws that impose penalties on political formateurs and on those participating in public demonstrations of support for new policies. Most societies, consequently, have laws that govern large gatherings, and many have laws that regulate the formation of organizations with public policy agendas. Even relatively liberal regimes may have rules on what can and cannot be published in newspapers and books.

Significant punishments for organizers and for participating in demonstrations makes such demonstrations more difficult to organize. As a consequence, mass protests tend to be associated with governments that are already relatively liberal, insofar as such regimes tolerate law-abiding

interest groups and peaceful demonstrations favoring changes in existing policies (i.e. they have low or no penalties for such activities). Such demonstrations are also possible in cases in which governments are failing, in the sense that they are considered to be unable to impose penalties on large numbers of demonstrators.

Penalties in liberal regimes, however, can be rationalized in a variety of ways. Additional law enforcement is often thought necessary for crowd control, but is not always sufficient to discourage thuggery of various sorts, although it is always expensive to provide. Moreover, property destruction and fights tend to reduce the perceived effectiveness of the government's law enforcement abilities and diminish the efficiency of its efforts to police other crimes, which further increases the costs of law enforcement in general. Even minor penalties may be sufficient to discourage most mass demonstrations of support or opposition to current public policies and institutions.

Such threats, of course, need not lead to large numbers of convictions in practice. To the extent that the promised punishments are credible, relatively few protests take place and no punishments are necessary. Domestic pressures for reform can, thus, often be diffused by relatively liberal and relatively weak governments. The finite nature of the gains from policy reform implies that a finite expected penalty,  $P$ , exists that is sufficient to discourage all organizations of moderate men and women. In the case illustrated, a penalty greater than 3 is sufficient to discourage the formation of political organizations and would cause an organized group to disintegrate. Given  $R < 3$  and  $P > 3$ , each potential protester finds him or herself better off free riding (staying at home) than protesting regardless of choices made by others.

### *Repression and Revolution*

The organization of a revolt tends to be much more difficult than organizing peaceful public demonstrations. Revolutions against a well-organized government require a strong military organization in addition to convincing arguments, pamphlets, speeches, mass meetings, and petitions. The cost of participating in revolutionary movements also tends to be far greater in both the planning and execution stages. More resources are needed, and because revolutions imply loss of life and property, they are resisted more aggressively by those favoring the status quo. These and other strictly military problems imply that formal revolutionary organizations (armies) are likely to be better able to produce the physical threats required than are informal "natural" organizations (mobs).

Armies have long been more effective than mobs and other unmanaged groups. This is, of course, why village and national defense is normally an organized activity, rather than an unorganized activity left to spontaneous citizen efforts at defense.

To win a “revolutionary” civil war, a preexisting standing army has to be defeated, which tends to be difficult even when the government’s army is poorly organized. This requires (1) conditional rewards that are relatively great, (2) threatening non-participants with penalties that are comparable to those imposed by the government for participating, and/or (3) reducing the (expected) penalties that the government can impose through secret meetings and promises to protect all members. However, none of these steps are easy. Nonetheless, the essential problem of organizing a revolutionary army is similar to that of any other organization.

The essential logic of revolution can be illustrated with another highly simplified game matrix. Assume that there are just two possible outcomes, the status quo ante and the outcome of a successful revolt. The difference between a person’s net benefits in the pre- and post- revolutionary state can be called their “stake” in the revolution. In principle, an individual’s revolutionary stake can be positive or negative according to whether he or she expects to be better or worse off if the revolution succeeds. The main difference between peaceful and revolutionary groups is the effect of organizational size on the probability of success. Even a single very persuasive author may directly change a lot of minds, but a single assassin can only change a handful of leaders.

In robust governments, such leaders are routinely replaced as they die from what ever cause. No man nor subset of leaders can be irreplaceable in a durable government, although policy formation may be temporarily disrupted as replacements are recruited and learn their new roles.

The probability of military overthrow of a durable government increases as the number of active participants increases over a fairly broad range, because the organization’s own internal incentives may be overcome or because the organization itself may be conquered.

The ability of a government to discourage such organizations is affected by a variety of resource considerations, including the size and discipline of its own military and law enforcement systems, as well as the internal support for the present government and support within the community at large (who may provide information about conspirators). In the case in which the government imposes expected penalty  $P$  on members of the revolt and the revolutionary organization provides reward  $R$  for membership, an individual’s decision to join can be illustrated in table 7.2.

**Table 7.2: The Revolt Game  
for Constitutional or Policy Reform**

Strategies	Number of Revolters				
	0	1	2	m	All
Join Revolt	P, P	$(1/n)^{(1-g)}S + R - P$	$(2/n)^{(1-g)}S + R - P$	$(m/n)^{(1-g)}S + R - P$	S + R
Do Not Join	0	0	0	0	0
Exit	E	E	E	E	E

The cell entries are expected utilities, S is the net benefit of successful revolt, R is the reward of participating in the revolution, and P is the expected penalty associated with participation. E is the net benefit of moving to another community. In a community with a stable population,  $E < 0$ .

Suppose that the probability of successful revolution is  $F = (m/n)^{(1-g)}$ , where m is the membership of the revolutionary organization, n is the number of persons in the community at large, and g represents the government’s ability to resist revolutionary pressures. (To simplify exposition, it is assumed that all participants are risk neutral, which tends to favor the formation of revolutionary organizations relative to alternative assumption of risk aversion.) If  $(m/n)^{(1-g)}S_i + R - P > 0$ , then individual i joins the revolt.

Even in this simple representation, the decision to join or not is affected by a number of considerations. For individuals with positive stakes in the revolt, there will be a membership size,  $m^*$ , beyond which participating in the revolt increases expected utility. If the organization is smaller than  $m^*$ , individuals choose to free ride.

In the special case in which all persons have the same stake,  $S > 0$ , the game resembles the assurance game above, in the sense that if all would join if  $m > m^*$ , because the result would be better than the status quo. In such cases, either the unrepresented part of society revolts or it does not. It is also clear that an effective government can easily manipulate P and g to assure the absence of revolutionary organizations in such cases.

In settings in which the stakes vary within the community of potential revolutionaries, membership does not necessarily fall to zero for finite values of P and g. The smallest group that a person i will join is  $m_i^* = (n)[(P-R)/S_i]^{1/g}$ , which falls as stakes,  $S_i$ , organizational rewards, R, increases and increases with population, n, and expected penalties, P. Persons with very high stakes tend to be persons with strong religious and ideologically motivated policy goals, in addition to pragmatic economic and political goals. Some revolutionaries may have very large stakes, indeed infinite ones, at issue. Such idealist-fanatics will be more inclined to join small, risky, secret revolutionary associations than pragmatists with only economic stakes in changing government policies.

As long as the government retains the loyalty of those charged with imposing punishments and is reasonably efficient, it can increase expected punishments sufficiently to discourage the formation of large revolutionary organizations, even in high stake settings. Secret organizing efforts can be discouraged by imposing high penalties on political organizers and those discovered to have attended their meetings. Spies can be hired to determine secret meeting times and locations. The death penalty for “conspiracy” and “treason” have long been included among deterrents, which can discourage participation for all but fanatics.

Such governmental strategies can essentially eliminate publicly organized political meetings and demonstrations. The lack of significant protests, in turn, may cause those weakly in support of revolution to believe that support for the government is stronger than it actually is. When confronting effective authoritarian regimes, in which penalties for organizing opponents are severe, credible promises (and threats) of revolution are difficult to make.

In some unusual circumstances, particularly in relatively ineffective regimes, a political or economic crisis can increase  $S_i$  to very high levels for many persons in a given society, and cause large revolutionary groups to form rapidly, as argued by Koran (1989) and Weingast (2006). Moreover, as Kuran (1989) points out, increasing levels of active public support increases the perceived probability of success,  $F$ , and decreases the perceived probability of punishment,  $P$ , which tends to further increase the size of movements. However, if such organizations are not able to generate enough resources to be self-sustaining and successful, even relatively large revolutionary groups may disintegrate, as noted by Ferrero (2002).

Indeed, potential formeteurs and potential members may simply emigrate from their home community in such cases, because their exit options tend to be relatively more attractive than those at home,  $E > 0$ . It is often expedient for revolutionary “leaders” to talk about revolution while safe in a foreign land, rather than to organize and conduct the required military operations at home. As a consequence, *ex patriot* communities often include many self-described revolutionary “leaders,” although revolutions are less commonplace. In cases in which a revolution eventually does succeed against all odds, subsequent *ex patriot* communities normally include “counter revolutionaries,” such as displaced kings and their retinues.

### *Palace Coups Rather than Democratic Revolutions*

An effective government can often impose relatively large penalties ( $P$ ) on revolutionary participants without inducing fear among nonparticipants (which tends to increase  $S$  and  $E$ ) and

without indicating that the group is relatively large (and thus, possibly, worth joining). Laws against treason will be aggressively enforced; rewards for providing the ruler(s) with creditable evidence of conspiracies will be high; commissions, rather than individuals, may be given responsibility for internal policymaking (to minimize risks from internal defections); and potential rivals to present government leaders may be rotated or exiled in a manner that reduces opportunities for opponents to acquire support within or outside government. A successful revolt tends to require relatively high stakes (high  $S$ ), relatively high rewards ( $R$ ), and relatively weak governance (low  $g$ ), as argued by Tullock (1974, 1987).

Consequently, small groups operating within government often have better prospects for changing governance than large groups operating outside of government. The larger scale of external conspiracies makes them easier to detect and punish than smaller internal ones. The private advantages of participating in a palace coup also tend to be greater than those associated with a popular uprising. Although the aggregate benefits obtained by replacing extractive or dysfunctional governments can be very large, only a few persons are likely to gain positions of authority (or wealth) in the new government. Insiders can silently shift their support among competing factions on the basis of anticipated success, and secure greater expected personal benefits at somewhat lower expected cost. Consistent with this analysis, there is a good deal of evidence that palace coups are organized more frequently and succeed more frequently than popular revolts (Bienen and Van de Walle 1989, Tullock 1987: 9).

It bears noting that even a successful revolution is unlikely to establish liberal democratic reforms. Revolutionary formeteurs are usually charismatic individuals. Their organizations often have governments based on the king and council template, with a powerful executive and a small councils of fellow activists. As true of other organizations, revolutionary formeteurs normally desire to retain control of their organizations after it is up and running. Their success against all odds clearly demonstrates that “their” leadership and “their” organization’s government are unusually effective. As a consequence, most organizations that overthrow a government are inclined to retain their standing “pre-revolutionary” procedures for making policy decisions. That is to say, revolutionists are inclined to be *institutionally conservative*, after the war is won.<sup>61</sup>

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<sup>61</sup> For example, it bears noting that George Washington was not a formeteur, but rather the agent of a council of colonial leaders, most of whom were representatives of elected colonial governments (state parliaments). The first national government of the United States simply

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## **D. Rational Choice and the Long Run Stability of Suffrage Law**

Overall, this chapter suggests that suffrage laws can be stable for long periods of time, whether they are broadly supported or not. The stability of narrow suffrage laws for selecting members of parliament is not an accident. There is nothing inherent in majority rule that inclines voters or those elected to expand suffrage to new voters. The existing median voter will normally prefer the rules that allow him (or her) to substantially determine public policies over other suffrage rules. This satisfaction with narrow suffrage laws is not affected by changes in voter income, and it tends to be true of standing regional governments. It also tends to be true of the leaders of groups who manage to overthrow a preexisting government. Stable suffrage laws simply require a sufficient consensus among those with the authority to adopt reforms that the status quo procedures advance their personal and organizational interests.

Although this analysis seems to suggest that only revolutions can expand suffrage, a very similar logic implies that democratic revolutions are unlikely to occur. Revolutionary groups are difficult to organize, and in those few cases in which outsiders orchestrate a successful civil war against the existing government, the advantages of hierarchy, discipline, and secrecy in fighting such wars, together with institutional conservatism tends to favor a continuation of the revolutionary organization's own hierarchical methods for decision making, rather than the adoption of the radically more open and competitive ones of democracy. Overthrows of governments by insiders are more common than those organized by outsiders, but in such cases the old institutions are normally preserved, although the persons holding particular offices of authority are replaced. Palace coups are not constitutional revolutions.

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constitutionalized the system used to orchestrate the war of independence. The individual member state governments were also very similar to the colonial governments that they replaced (see chapter 18). George Washington continued to defer to both the national and state governments after the war was won.

The *Articles of Confederation* adopted in 1781 (somewhat before the war was over) was partly a mutual defense treaty among colonial-state governments. Article 1 states that "Each state retains its sovereignty, freedom, and independence and every power, jurisdiction, and right, which is not by this Confederation expressly delegated to the United States, in Congress assembled." Article 2 clearly states that "The said States hereby severally enter into a firm league of friendship with each other, for their *common defense*, the security of their liberties, and their mutual and general welfare, binding themselves to assist each other, against all force offered to, or attacks made upon them, or any of them, on account of religion, sovereignty, trade, or any other pretense whatever."

In both conservative and revolutionary governments, the existing selection rules tend to advance the interests of those who already are represented in government. Consequently, persons in high offices are predisposed to protect the procedures that were responsible for producing “their” authority within “their” organizations.

In some cases, efforts to avoid revolution may generate broad support for the existing institutions (especially in conjunction with institutional conservatism) by encouraging patriotism and economic growth, but in other cases (perhaps most) suppressing revolutions is produced by making reform campaigns very difficult to organize. New ideas and new organizations were routinely censored in medieval and early modern states. Even mildly revolutionary tracts were normally circulated were published anonymously or under an assumed name. Very conservative states often punish all novel ideas, as blasphemy or treason. As states liberalize, censorship is gradually reduced in scope, but the last area of censorship to be lifted is normally that with respect to political reform.

For existing suffrage laws to change, the policy interests of those with the authority to change the laws governing political participation must also change.