Gaming Democracy: Elite Dominance during Transition and the Prospects for Redistribution

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Abstract Inequality and democracy are far more compatible empirically than predicted by social conflict theory. This paper speaks to this puzzle, identifying the scope conditions under which democratization induces greater redistribution. Because autocrats sometimes have incentives to expropriate economic elites, who lack reliable institutions to protect their rights, elites may prefer democracy to autocratic rule if they can impose roadblocks to redistribution under democracy ex ante. Using global panel data (1972-2008), we find that only if elites are politically weak during transition, as when there is revolutionary pressure, is there a relationship between democracy and redistribution. Redistribution is also greater if a democratic regime can avoid adopting and operating under a constitution written by outgoing elites and instead create a new constitution that redefines the political game. This finding holds across three different measures of redistribution and instrumental variables estimation. We also document the ways in which elites "bias" democratic institutions.

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Social conflict theory anticipates that democracies should be more likely than autocracies to redistribute.[1] Majority rule allows poorer citizens to exert greater influence over the political economy than economic elites, therefore narrowing the gap between rich and poor through progressive taxes and social spending. Indeed, because political equality is supposed to usher in greater economic equality once the franchise is universal, democracy is a credible commitment by elites to redistribution. Yet inequality and democracy are much more compatible empirically than is predicted by social conflict theory. While the distribution of income is right-skewed throughout the world, redistribution from the rich to the poor is not higher in democracies than autocracies.[2] It is therefore not surprising that, even at the highest levels of inequality, democracy is not associated with redistribution.[3]

What explains the lack of a general relationship between democracy and redistribution? Despite the fact that there is often pressure from below for political reform[4], concrete steps toward democracy, such as scheduling elections and relinquishing control over the security apparatus, are often initiated by elites themselves.[5] Moreover, a democratic transition is more likely if elites manage

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[1] See e.g. Acemoglu and Robinson 2006; Boix 2003. This should occur when the median voter's income is below the mean income, making redistribution an increasing function of inequality (see Meltzer and Richard 1981).

[2] Michael Ross 2006; Scheve and Stasavage 2011. This point is also consistent with Haggard and Kaufman 2012; Ansell and Samuels 2010; Freeman and Quinn 2012.

[3] Perotti 1996.

[4] Przeworski 2009; Wood 2000.

[5] Lizzeri and Persico 2004; O'Donnell and Schmitter 1986.

to negotiate constitutional frameworks that continue to protect their interests after they exit.[6] In western Europe over the nineteenth and early twentieth centuries, democratization proceeded in gradual, calculated steps intended to appease economic elites' fear of radical political change.[7] Similarly, the economically powerful accepted democracy in Latin America when their interests were protected by conservative parties.[8]

There are two literatures that help us gain purchase on this puzzle. The first is a new generation of social conflict theory that argues that, even after a transition, elites may circumvent democratic institutions to capture policymaking and block redistribution.[9] If elites' *de facto* power persists after democratization, elites can engage in vote buying or clientelism that fractionalizes the political power of the poor.[10] The second is power resources theory, a dominant explanation for variation in the size and scope of the welfare state in OECD countries. Korpi, Stephens, and others argue that what are needed are strong unions that compress wage and salary distributions, lowering market inequality, as well as social democratic parties that deliver redistributive social policy.[11] Yet in marked contrast to the OECD, partisanship seems to have little explanatory power over redistribution in the developing world.[12] Moreover, the weaker bargaining position of workers in the developing world alongside globalization may limit the effect of democracy on redistribution.[13]

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[6] Negretto 2006.

[7] Dahl 1971; Ziblatt 2006.

[8] Rueschemeyer, Stephens, and Stephens 1992.

[9] Acemoglu and Robinson 2008.

[10] Ziblatt 2009; Keefer 2007.

[11] Korpi 1983; Stephens 1979.

[12] See, for example, Huber, Mustillo, and Stephens 2008.

This paper draws on both social conflict theory and power resources theory to further our understanding of the relationship between democracy and redistribution. We unpack the democratization process to gain leverage on the question of why some democracies redistribute more than others. We make sense of the fact that democracy only sometimes empowers the poor in light of the realization that democracy is often captured by elites and may be no better than autocracy at leveling the playing field.

We introduce a theory that incorporates insights about the disproportionate influence of economic elites on democratic transition and policymaking under democracy. Lacking recourse to reliable institutions to fully protect their rights under autocracy over the longer term, economic elites prefer democracy to autocratic rule if they can create and sustain roadblocks to redistribution under democracy. This can even be the case when autocracy has political parties or a legislature, given that these institutions may unevenly or only temporarily protect economic elites' rights. By over-representing the wealthy in political institutions, inducing gridlock, imposing military veto power over policy, and elite dominance over local politics, elites can complicate the ability of democratic politicians to orient public spending priorities toward the poor majority.[14] These tools can help economic elites secure a credible commitment to their rights and interests after the transition. We therefore hypothesize that there is a relationship between democracy and redistribution, but *only* if democratization occurs when elites are relatively weak. Because this is relatively rare, we argue that democratization is frequently about allaying elite fears, and rarely aimed at preventing revolution.

We argue that to explain variation in redistribution among democracies one must identify the conditions under which democracies were born. When a revolution or similar shock occurs, elites

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[13] Avelino, Brown, and Hunter 2005.

[14] See, respectively, Horiuchi 2004; Ziblatt 2009; Negretto 2008.

are caught off balance. This fear pressures elites to rush into a transition bargain more quickly than they would have otherwise done, decreasing their ability to manipulate the transition process to safeguard their interests after democratization. Yet absent such a shock, elites may bargain for transition on favorable terms. Their outsized influence is often codified in a constitution before a transition and bequeathed to a new democracy.

Empirically, we use a cross-national time-series dataset to evaluate whether the relationship between democracy and redistribution is conditioned by the strength of elites on the eve of the transition. We find that democratization induces greater redistribution when transition occurs in the wake of revolution or, alternatively, when elites are unable to impose a constitution under autocracy that persists after transition. If economic elites are strong on the eve of democratization, however, this result reverses. Further analysis of constitutions suggests why this relationship holds: constitutions under democracy that are inherited from dictatorship shape the rules of the political game in such a way that rightwing parties are likely to be more represented, the political system is more prone to gridlock, the military is more powerful, and local governments lack autonomy. Compatible with several recent contributions to the literature, the relationship between elite strength and redistribution is conditioned by the distribution of income. The results are robust to the estimation strategy, different measures of both the dependent variable and the independent variable of elite strength upon transition, and to accounting for potential endogeneity.

We develop new data series to measure redistribution in three ways. The first is Social Spending (% of GDP), which captures government expenditures on education, health and housing. The second is Welfare and Social Insurance Spending (% of GDP), which measures government expenditures on unemployment and disability insurance, health insurance and pensions, and welfare transfers. The third is Taxes on Income, Profits and Capital Gains (% of GDP), which proxies for the progressivity of the tax structure because the tax rates on these tax bases either increase with income or only apply to citizens at the upper-end of the income distribution. By using both primary and secondary sources, we compile new and improved series for both developed and developing countries between 1972 and 2008.

THEORETICAL FRAMEWORK

There are three chief actors that drive the dynamics over regime choices between autocracy and democracy. The first is the economic elite. These individuals enjoy selective property rights that grant them special privileges and flows of rents in exchange for generating revenues. Their property rights can be withdrawn by political elites if political calculations drive them to do so, making their position of favor inherently tenuous. These are not merely rare or passing threats; political elites sometimes have strong incentives to expropriate and harass economic elites. This is not the case under democracy if they have a strong hand in its design. While we agree with social conflict theory that economic elites seek first and foremost to protect their rights and interests, we disagree that autocracy can necessarily deliver them their most preferred outcomes. We argue that economic elites prefer "gamed" democracy in their favor to rule of law autocracy, rule of law autocracy to full democracy, and any of these forms of government over unconstrained predatory autocracy.

The political elite, composed of key military players and civilian politicians, and headed by a dictator or junta under autocracy, are the second critical actor. While there may be conflicts and machinations even within this group, what they share is the power and organizational capacity to seize the reigns of government. Their credible threat of violence allows them to grant and withdraw property rights. Their incentives can sometimes be aligned to protect the rights and interests of the economic elite. Their policy preferences, however, are not always shared. And even if political elites protect the property rights of economic elites, leading to an overlap in policy preferences at a given time, this does not mean that these property rights cannot be rapidly withdrawn, eroding the policy overlap.

The rapid and irregular leader cycling that often characterizes autocracies are two pieces of evidence suggesting that a perfect overlap between the political elites and economic elites is rare.[15] Short tenure in office and irregular exits may indicate that (i) economic elites are uniformly opposed to the policies of the ruling political elite and support an ouster; (ii) some subset of economic elites desires a break with the current ruling political elite; (iii) the military is acting independent of economic elites; or (iv) the identity or preferences of political elites is shifting while economic elites are relatively constant. None of these scenarios support the notion that economic and political elites are united or monolithic.

The third important actor is the mass of the population. The members of this group suffer from a serious collective action problem, and therefore typically depend on mobilization from above. The masses can help the political elite protract autocracy, either by being bought off through targeted exchanges, or by supporting a populist regime that favors them at the expense of economic elites. By the same token, factions of the population can help the economic elite achieve democratization, particularly if they receive no benefits under dictatorship. They can do this by contributing to the leverage exercised by economic elites (e.g., via strikes and protests) as the latter bargain for the exit of the regime. While the masses may temporarily support populist dictatorship, their optimal outcome over the long run is full democracy. As we argue below, they can obtain this outcome via a popular revolution, or if they successfully sweep out economic and political elites and codify a new democratic constitution.

The Politics of Autocracy

[15] We calculate that from 1950-2004, a full 50% of dictators survived in office 3 years or less. Moreover, 38% of dictators were either removed from office in a coup or similar purge.

Although the economic elite under autocracy rely on political elites to represent their interests and protect their property rights, the political elite have interests of their own that may diverge from the interests of the economic elite. Indeed, the internal politics of the regime may lead the ruler to betray the pre-existing economic elite in order to reward key members of the organization that launched him into office. Why might political elites systematically seek to weaken economic elites or act against their interests? There are three fundamental difficulties economic elites face in relying upon political elites to implement their preferred policies under dictatorship. These are agency problems, uncertainty, and political incentives.

First, while economic elites need political partners to rule, and may aid their rise to office with some reasonable expectation of what policies they will implement, it is often difficult to control the behavior of political elites once they gain power. There are three reasons why this is the case when the principal is the economic elites and the agents are the political elites. First, the penalty that the principals can exact on their agents may be insufficiently costly. Although the economic elites can threaten to withdraw revenues or other types of financial support, there are often alternative sources of revenues that political elites can tap. Second, the expected gains of non-compliance by the political elites can be high in some contexts, especially when there are potential alternative sources of political support. Third, because of the opaque or sophisticated nature of policies regulating property rights, it may be prohibitively costly for economic elites to closely monitor political elites, making agency slippage a greater concern under autocracy.

Second, the political elites that seize power may deliberately not define their major political objectives prior to a coup attempt to avoid debate that would make it more difficult to put together a winning coup coalition to begin with.[16] Strategic circumspection by the dictator and his political

[16] Stepan 1971.

coalition about their intentions diminishes the ability of economic elites to predict his loyalty to them and his post-coup policies. As a result, members of the economic elite may fear that a dictator will transgress against their interests, and with good reason; for example, both Leguia and Odría in Peru and Castello Branco in Brazil harassed and imprisoned economic elites who helped launch them into office. While democratic institutions may be constructed to protect the rich, it is more difficult to forge a long-term commitment to property rights under autocracy.[17] Even if a particular dictator can be trusted, in the absence of a mechanism to rotate power, there remains uncertainty about the longevity of, or the successor to, the dictator—and thus uncertainty about property rights. Even in longer-lived rule of law autocracies, there is no guarantee that stability will be replicated in the future despite legislatures, political parties, constitutions or other tools used by the elites to defend their interests. This is in contrast to democracy: rotation in office via elections ensures that politicians cannot grow powerful enough to threaten elite rights.

The final reason why a dictator and his political coalition may be motivated to target economic elites is due to their fundamentally different political incentives. On the one hand, a dictator's expropriation of economic elites may preserve his ability to act independently in the future by eliminating rivals with longstanding power. A dictator's support group can also benefit from this policy when they are distinct from the economic elite at the time they gain power. In particular, redistribution away from current economic elites can be used by a new dictator to signal his willingness to adopt favorable property rights in the near future for those who helped him grab power. This policy reveals that the dictator privileges the political support he obtains from the members of the group that brought him to power.

Large-scale expropriation and the subsequent destruction of economic elites illustrates the

[17] North and Weingast 1989.

salient consequences of a divergence between economic and political elites. Albertus and Menaldo have shown that the majority of Latin American countries experienced at least one large-scale expropriation of land, banks, or natural resources under autocracy from 1950-2002.[18] Expropriation of land and capital under dictatorship is not unique to Latin America. Prominent cases of autocratic expropriation of land and capital outside the region include Egypt after 1952, Mugabe's expropriations of white landlords in Zimbabwe, and a host of examples during the late 1940s and early 1950s in East Asia, including Taiwan, North Vietnam, Indonesia and the Philippines.

The Political Economy of Elite-Led Democratic Transition

The economic elite's uncertainty about their property rights, while not eliminated, can nonetheless be mitigated under democracy. Property rights can be codified and enforced in a way that does not depend on the capriciousness of the dictator and his political coalition. There are at least three ways that economic elites can effectuate a transition to democracy without having to face punitive rates of redistribution under the new regime. First, economic elites can exchange the promise of economic growth and/or jobs in the government bureaucracy for citizen support of a transition[19], especially when a rising middle class with aspirations for upward mobility or economic security can be counted on to act as a counterweight against the lower classes.[20] The creation of a broad political party can unite the interests of these two groups.[21] Second, elites can divide and conquer the poor majority. For example, economic elites can use vote buying to their advantage, undercutting universal redistributive policies with moderate targeted exchanges. Third, non-elites

[18] Albertus and Menaldo 2012a.

[19] Acemoglu, Ticchi, and Vindigni 2007.

[20] Acemoglu and Robinson 2006.

[21] Rueschemeyer, Stephens, and Stephens 1992.

will support transition if it promises increased protection of their property rights through an end to predatory dictatorship,[22] particularly if they can also be coaxed with patronage.

Mexico's democratization illustrates how economic elites betrayed by political elites under dictatorship may support a transition to protect their interests. The PRI's expropriation of wealthy bankers and the erosion of northern industrialists' rents following the 1982 financial crisis led to their defection to the PAN, the chief opposition party. It also began a steep decline in PRI support as disaffected economic elites began to increasingly fund PAN candidates or run for state and local offices themselves. By 1997, the PRI lost the lower house, and it lost the presidency in free and fair elections in 2000 to the PAN candidate, Vicente Fox.

The key variable that motivates economic elites' willingness to abandon dictatorship and accept democracy is their relative ability to bargain for institutions under democracy that can provide a credible commitment to their rights and interests. When such a bargain can be forged, elites can mobilize a critical mass of citizens or strike a deal with political dissidents to generate the coalition needed to support a democratic transition.[23] Spain's democratization in the 1970s illustrates this

[22] Ansell and Samuels 2011.

[23] One could argue that economic elites are only likely to resort to gaming democracy when their assets are fixed and likely to be expropriated. Freeman and Quinn 2012, for instance, find that increased financial integration eases elites' fear of democracy because their foreign holdings can escape taxation. Yet policies of financial openness are themselves determined, in part, by the politicians empowered under democracy. In an extension of the analyses below, we find that the degree of capital account openness under democracy is determined by whether elites manipulate the terms of democratic transition. Economic elites should therefore favor gamed democracy regardless of their asset specificity upon transition.

point. Because the social bases of the left had been undermined by changes in Spain's social structure under Franco, conservative elites became convinced that democracy would not threaten their property rights or safety, inducing them to initiate moves toward democracy in 1976-77.[24]

Yet if economic elites fear being betrayed by political elites during autocracy, and thus willing to support democracy, how is it the case that they can find reliable principals during the transition moment itself? First, economic and political elites may be congruent in their present preferences. Although economic elites may push for transition because they fear some future exogenous change will erode the incentives of political elites to be responsive to their interests under autocracy, their incentives are aligned in the present: both seek democratization favorable to their interests. Second, economic elites threatened by a faction of political elites can coordinate with a more reliable faction to spearhead transition while gaining representation at a constitutional convention or other determinative transition processes, or even participating directly in these events.

The idea that the economic elite's fears under dictatorship may motivate them to support a transition stands in contrast to social conflict theory, which emphasizes elite fears of democracy. Acemoglu and Robinson and Boix, for example, argue that the level of inequality determines the expected rate of redistribution under democracy, and therefore conditions elite support for regime transition. This alternative argument suggests that regime type is endogenous to inequality. Yet these arguments fail to address the fact that under democracy, especially unequal democracies, the economic elites may retain many of the advantages they enjoy under autocratic regimes friendly to their interests—or even enhance their power. Our view instead anticipates that elites who are powerful during transition will forge institutions that replicate their strength. So although we agree with social conflict theory that inequality can lead to higher redistribution under non-elite biased

[24]Alexander 2002.

democracy, we argue that when inequality is high under gamed democracy, the power of economic elites increases and leads to even *lower* redistribution.

The Political Economy of Elite-Biased Democracy

There are several features of an elite-biased democracy that can be more beneficial to economic elites than a dictatorship, motivating them to support democratization. A large literature demonstrates that economic elites can effectively use their power to informally influence political outcomes. Elites can embrace vote buying and clientelism in an effort to undercut universal redistributive policies.[25] They can also effectively buy policies through powerful lobbying.[26] Yet economic elites can go beyond these ad hoc measures by strategically shaping a new democracy's institutions. There are several chief ways in which they can do so: adopting rules that lead to institutional overrepresentation of their interests, inducing gridlock, maintaining military vetoes over policy, and exercising local political control.

First, elites can bargain during the transition process for rules or institutions that increase the odds that the politicians selected will be less hostile to their interests. Elites may support property qualifications for elected representatives, or malapportionment that leads to their overrepresentation (e.g., Argentina's 1957 constitution).[27] They can also impose restrictions on the franchise.[28] Literacy

[25] Keefer 2007.

[26] Acemoglu and Robinson 2008.

[27] Horiuchi 2004.

[28] Engerman and Sokoloff 2005.

requirements in Brazil were only rescinded in 1985, in Peru in 1980, and in Ecuador in 1980.[29] Or they can ban socialist and communist parties, as in the 1956 Guatemalan constitution. The appointment of conservative senators is another common approach. The Pinochet government in Chile appointed a host of senators in a successful bid to limit the power of ascendant political parties that could push for redistribution following democratization. Economic elites can also push for electoral rules that make it easier for conservative parties to gain power. Chile's binomial electoral system is one example. Similarly, military juntas aligned with conservative parties in Latin America advocated for permissive electoral rules during transitional constitutional conventions to increase their chances of influencing politics under democracy.[30]

Second, economic elites may shape democratic institutions to induce gridlock.[31] Citing the 1946 and 1967 constitutions, for instance, the Ecuadorian Supreme Court and Congress repeatedly blocked legislation initiated by "populist" presidents Arosemena (1961-63) and Velasco (1968-73) that was unfriendly towards elites, including higher corporate taxes and agrarian reform.[32] Of course, economic elites must first gain a foothold in the political system even when they are a small minority. Rokkan and Boix have argued that the move to proportional representation (PR) during the 19th and early 20th Centuries was an attempt after the extension of the franchise by embattled

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[29] Although elites are progressively less likely to pursue strategies that flagrantly discriminate against citizens on the basis of class, ethnicity, or education (e.g., franchise restrictions), they continue to rely on tactics such as political overrepresentation, gridlock, and military vetoes.

[30] Negretto 2006.

[31] Rajan 2009, 180.

[32] Isaacs 1993.

right-wing parties to survive the increasing threat of socialist parties that would have dominated majoritarian elections.[33]

Third, in the absence of institutional mechanisms to defend their interests, elites may rely on military allies. In many cases, elites forge alliances with the military under dictatorship that persist beyond transition. This may take either of two forms. The first are explicit powers awarded to the military over civilian affairs.[34] For example, Honduras' 1957 constitution stipulated that the Chief of the Armed Forces would be selected by the military, would retain chief control over military command, and could selectively deny the executive budgetary oversight. Other more subtle forms of military involvement can also deter elected politicians from dismantling institutions that block redistribution, such as ultimatums. Attempts by elected politicians under democracy to weaken or rescind anti-redistributive measures left behind by autocrats risk galvanizing the elite and inducing them to launch a coup. The elite's ability to coordinate such a collective response, triggered by a violation of the constitution, is an "off the path" threat that deters elected politicians from undertaking redistribution.[35]

Finally, democracies that inherit constitutions from autocracies may exhibit electoral rules and institutions that make it easier for powerful interests to assert local control. When local elites are likely to lose in free and fair elections at *the local level*, this favors choosing centralized power over electoral voice and autonomy in local politics. Ziblatt, for instance, demonstrates that local administrators in Prussia following the adoption of universal male suffrage were often wealthy landlords appointed by the central government in collusion with the dominant Conservative party

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[33] Rokkan 1970; Boix 2010. For a dissenting view, see Cusack, Iversen, and Soskice 2007.

[34] Rueschemeyer, Stephens, and Stephens 1992, 196.

[35] See Acemoglu and Robinson 2001, 946.

and local economic elites. They were "the 'linchpin' of the Prussian system of public administration...[and were] the decisive pivot in the capture of the electoral process."[36]

This is not necessarily incompatible with the popular view that federalism may buttress elite privilege by allowing elites in the periphery to set their own policies.[37] Even in a federal structure, elites in the periphery want to keep populists at any level of government from challenging an anti-redistributionist status quo. They may therefore support a national constitution that can protect their property rights across the nation uniformly, rather than risk transgressions by local policymakers. Southern oligarchs in the US, for example, made sure to enshrine slavery at the federal level in the US Constitution.

How Elite-Biased Institutions Can Be Locked In

Although economic elites can influence the circumstances under which democracy is instituted, how can they lock in restrictions on redistribution over time? If elites in unequal societies bequeath conservative-biased institutions to new democracies, and these new democracies fail to produce income and wealth equalizing public policies, such as progressive taxation and social spending, then this will further reinforce inequality.[38] This can occur either directly through the de jure institutions created during the transition, or through de facto elite power enhanced due to these institutions and the policies they produce.

First, elite-biased electoral rules created during democratic transition can effectively serve to consolidate existing power structures as economic elites push for rules after democratization that

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[36] Ziblatt 2009, 16.

[37] E.g., Boix 2003. Indeed, a federal structure is more likely as an additional layer of protection when elites are geographically concentrated in several regions, as in South Africa.

[38] Engerman and Sokoloff 2005.

further cement in their electoral advantage. For example, a mapping of votes to seats that favors elites can subsequently be used by elites to gerrymander districts in a way that produces even more skewed malapportionment to their advantage. The second mechanism is to use the power elites have gained from institutions biased in their favor to exercise greater influence than non-elites over the political system. Because the public policies adopted serve to widen inequality, this gives the economic elites an advantage in terms of collective action, resources, and *de facto* power over the less well off. Elites can then gain favorable policies, either via legal means, such as lobbying and financing campaigns, or illegally, via corruption. Moreover, if economic elites can finance and support political parties and social actors such as the media, they can mobilize coalitions around issues that benefit them economically and politically.

Main Hypotheses

While an elite-friendly democracy may be better for economic elites in expectation than more uncertain autocratic rule, the elite cannot always manipulate the timing and circumstances of a democratic transition. Unexpected moments of elite weakness may elicit pressure for democratization, leading to a transition *despite* the inability of the elite to guarantee a credible commitment to their rights and interests under democracy. We therefore expect an increase in redistribution from elites to the poor after democratization *only* when the new democracy follows a transition process when elites are relatively weak and cannot manipulate the transition process.

Prominent examples of democratization amidst elite weakness are those transitions that occur following attempted or actual revolution, or when an incoming democratic regime can overturn the old order by writing a new constitution that empowers the majority. Under these circumstances, democracy will be redistributive. Yet when elites are strong, such as when transition occurs absent revolution, or if elites can impose a constitution from the outgoing dictatorship, the subsequent elite-biased democracy will be less redistributive than autocracy.

We also generate hypotheses about *why* elite-biased constitutions will reduce redistribution. These constitutions should be associated with the overrepresentation of elite interests, leading to a greater probability of rightwing executives. They should also be associated with proportional representation, in a bid to make it more likely that small conservative parties will gain a political toehold and induce gridlock. Moreover, they should favor larger militaries that may act as a deterrent against violations of elite property rights and interests. Finally, elite-biased constitutions should favor institutions and electoral rules that make it easier for powerful interests to assert their control in local politics.

RESEARCH DESIGN AND MEASUREMENT STRATEGY

The theory detailed above anticipates an increase in redistribution from elites to the poor after democratization *only* when the new democracy follows a transition process devoid of elite manipulation. We gain traction on this empirical implication by generating an original time-series, cross-section dataset with global coverage (1972-2008) that includes both developing and developed countries.

The Dependent Variable: Measuring Redistribution

We constructed three new variables that capture redistribution, each of which expands upon the cross-section and time-series coverage of existing variables in the literature. Two of these variables -–Social Spending and Welfare and Social Insurance Spending – capture progressive government expenditures that tend to benefit individuals at the lower end of the income scale more than those with higher than median income. The third variable – Taxes on Income, Profits, and Capital Gains – captures progressive government revenues that tend to tax individuals at the higher end of the income scale more than those who lie below the median income. To construct each variable we follow the guidelines and coding rules set forth in the IMFs Government Finance Statistics Yearbook. In an online supplementary appendix we document all the primary and secondary sources we employed on a country-by-country basis.

Our first measure of redistributive spending is Social Spending (% of GDP).[39] This consists of government expenditures on education, health, and housing. Social spending on education, health, and housing is progressive because it involves (i) the transfer of social resources to alter inequality induced by market outcomes and (ii) the attempt to equalize the life chances of poorer individuals via investments in human capital. Increased social spending narrows market inequality by boosting the income and life chances of the poor majority. Social spending is therefore redistributive in nature.[40] Social Spending is nearly normally distributed with a mean of 5.98% of GDP, a standard deviation of 3.37%, a minimum value of 0 and a maximum of 22.48% of GDP (n=2878).

Our second measure of redistributive spending is Welfare and Social Insurance Spending (% of GDP) (henceforth, Welfare and Insurance). This consists of government expenditures on unemployment and disability insurance, health insurance and pensions, and welfare transfers. These expenditures constitute both in-kind transfers and in-cash transfers. This way of operationalizing redistribution is biased against our hypothesis; in many developing countries, this variable subsumes both transfers to poorer citizens, such as food stamps and unemployment insurance, as well as pension programs and other forms of social insurance that may target middle class wage earners in the formal economy and unionized public employees.[41] Welfare and Insurance is nearly normally distributed with a mean of 5.13% of GDP, a standard deviation of 5.52%, a minimum value of 0 and a maximum of 22.56% of GDP (n=2818).

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[39] Unit root tests rejected the hypothesis that this variable, or any of the other redistribution variables, was non-stationary in levels.

[40] See Lindert 2004.

[41] See e.g., Haggard and Kaufman 2008.

The third way in which we measure redistribution is Taxes on Income, Profits and Capital Gains (% of GDP) (henceforth, Progressive Taxation). This addresses the potential shortcoming that public expenditures on social spending or social protection are not always tantamount to redistribution from rich to poor. If there is a regressive tax structure in place, then the poor majority is bearing the brunt of the fiscal burden and are "getting what they paid for" if the government orients spending towards education, health, housing, welfare and insurance.[42]

Income taxation proxies for the progressivity of the tax structure because tax rates on these sources either increase with income or tend to be levied on citizens at the upper-end of the income distribution. Increasing marginal rates are the norm across both developing and developed countries and ensure that, at least from a *de jure* perspective, income taxation is progressive. Even income taxation levied at flat rates can be progressive; both developing and developed countries tend to offer generous deductions and exemptions for taxpayers below the median income.[43] Finally, rampant evasion of direct taxes by the poor in developing countries means that the wealthy are often the only group of citizens who effectively pay any income taxes.[44] Capital gains taxes levied at flat rates also tend to be progressive: relatively wealthier citizens disproportionately tend to earn interest, dividends, and profits on capital investments. Progressive Taxation is nearly normally distributed with a mean of 6.96% of GDP, a standard deviation of 5.92%, a minimum value of 0 and a maximum of 34.62% of GDP (n=3493).

Because any cross-national measure of tax progressivity is inherently noisy, including our own, we focus primarily on the spending side of redistribution. Despite the imperfections that beset

[42] Timmons 2005.

[43] Snyder and Kramer 1988.

[44] Shah and Whalley 1991.

our tax-based measure, however, our results are robust to both treating redistribution as tax progressivity and to controlling for tax progressivity when we measure redistribution as progressive government spending.

Key Independent Variables

We focus on two separate circumstances that plausibly proxy for how strong elites are during transition: revolutions and constitutions. Because the proxies capture elite weakness at temporally different moments of the transition process and their salience may vary by context, they are not perfect substitutes in practice. We examine the logic of each in turn.

First, elite weakness is captured by revolutions/attempted revolutions that are followed by democratic transitions. We expect redistribution to increase after democratization that follows revolutions because elites will have been caught off-balance and unable to impose their institutional preferences beforehand. Even a failed attempt may signal the possibility of future violence and the ability of a subset of the masses to overcome their collective action problem into the foreseeable future—a fear that places pressure on elites to rush into a transition, decreasing their ability to manipulate the process and emboldening the disenfranchised to drive a harder bargain.[45]

Second, we capture elite weakness by whether democracies create new constitutions upon transition. If elites are relatively strong on the eve of transition, they should be able to impose constitutions that were created under autocracy and which protect their interests after transition.[46] Whereas democracies that inherit constitutions from their autocratic predecessors should witness decreases in redistribution because elites have been able to safeguard their interests, democracies

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[45] Przeworski 2009.

[46] For a treatment of the origins, duration, and effects of autocratic constitutions under dictatorship, see Albertus and Menaldo 2012b.

that adopt new constitutions can create new rules for the political game more favorable to the majority.

We first code a binary variable called Democracy After Revolution if (i) the regime is coded as a democracy by Cheibub, Gandhi, and Vreeland, and (ii) there are one or more successful or attempted revolutions in the year prior to the democratic transition.[47] Because we seek to examine how the conditions under which countries democratized affect their subsequent levels of social spending, this operationalization of elite weakness on the eve of transition is a legacy variable: the value that Democracy After Revolution takes under a democratic episode is constant across that episode, capturing the circumstances that prevailed during the transition process.

Our primary measure of revolution is from Banks, which he defines as "any attempted or successful forced change in the top governmental elite or any armed rebellion whose aim is independence from the central government."[48] For robustness, we also use a revolution variable based on Goldstone. He defines revolutions as "irregular procedures aimed at forcing political change within a society…and lasting effects on the political system of the society in which they occurred."[49] This measure is more "conservative" than that produced by Banks, in that it only includes "successful" revolutions—not revolutions that are attempted but come up short.

Second, we code a binary variable called Democracy with Autocratic Constitution. A country is coded as having a democratic constitution if it creates a new constitution upon transition, operates according to a prior democratic constitution that was in place before the previous period of dictatorship, or passes a new constitution sometime after democratization. A country is coded as

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[47] Cheibub, Gandhi, and Vreeland 2009.

[48] Banks 2005.

[49] Goldstone 1998. Goldstone's data end in 1998.

inheriting an autocratic constitution if it adopts and operates with a constitution created under dictatorship.[50] In some cases, autocratic constitutions that were adopted on the eve of democratic transition were later amended after democratization, creating provisions that rein in the power of outgoing elites in favor of non-elites. We treat these in two ways. First, we group them along with autocratic constitutions, since a new constitution was not created. Second, we treat them as wholly distinct from either newly created democratic constitutions or constitutions inherited from autocracies but not amended. We call these Democracy Amends Autocratic Constitution. Data on the origins of constitutions are taken from the Comparative Constitutions Project, which codes the formal characteristics of written constitutions for nearly all independent states since 1789.[51]

Table 1 lists all democratic transitions from 1950-2008. The majority of democratic transitions are the product of negotiations between political elites such as ruling parties, the military and opposition forces—not popular uprisings. Pressure for elites to rush into a transition bargain, as proxied for using Banks' revolutions variable, only occurred in 43% of the transitions in this period. A similar trend is apparent with respect to the constitutions that new democracies operate under upon transition. Seventy percent of new democracies during the period adopted constitutions that had been created under autocracy.

ELITE WEAKNESS UPON TRANSITION AND REDISTRIBUTION

We begin by reporting a series of panel country fixed effects models in Table 2, including

[50] Because we evaluate how the institutional arrangement created upon democratic transition impacts subsequent redistributive policy under the ensuing democratic regime–rather than whether the contemporaneous impact of a revolution or a constitutional adoption on redistribution differs by regime type–we do not interact regime type and revolution/constitution.

[51] Elkins, Ginsburg, and Melton 2010.

both Ordinary Least Squares (OLS) and Two-Stage Least Squares (2SLS) specifications. Redistribution is measured as Social Spending across these models. The inclusion of country fixed effects in the regressions controls for country-specific and time-invariant heterogeneity (e.g., geography) that may jointly influence a country's propensity to experience a democratic transition under conditions of elite weakness and its degree of social spending.

We use two different measures of elite weakness. First, we measure elite weakness using revolutions on the eve of democratization. Second, we measure elite weakness as whether the new democratic regime inherits and operates under an autocratic constitution written by outgoing elites. In cases in which it does, elites set the stage for favorable policies that may be implemented under democracy. Conversely, new democracies that create their own constitutions are indicative of elite weakness upon transition.

Across the models, we seek to differentiate the impact made by these elite weakness measures on redistribution after democratization from the separate impact made by democracy and by revolution. Therefore, we include two additional terms in each regression, All Democracies and Revolution. All Democracies is coded "1" for each year in which a country is democratic, regardless of how it transitioned. Revolution indicates whether there is an ongoing revolution in year t, irrespective of the country's regime type.

We also include a series of other time-varying determinants of redistribution whose omission may confound the results. The log of Real Per Capita Income is included because increases in wealth are expected to boost demand for public spending. We also include log(Population), from the Correlates of War 3.0, because the scope of government regulation and spending may be characterized by economies of scale. The log of Total Resources Income Per Capita (in thousands) is included because corporate taxes on the profits earned by oil, gas, and mining firms may boost spending on social spending and/or inflate the total income tax receipts collected by the government.[52] Trade Openness, measured as exports plus imports as a share of GDP (%) from the Penn World Tables 6.2, is included because it may influence redistributive transfers either positively or negatively. The Manufacturing Share (value added as % GDP), taken from the World Bank's WDI, is included because increases in the manufacturing sector represent greater taxable capacity and ease of tax collection. The Old Age Ratio, from the WDI, is the percent of the population above 65 years of age; it captures the extent of demand for inter-generational transfers. We lag all of these controls by one period.

Other controls variables are as follows. We control for non-linear secular trends in redistribution because the global (unweighted) average of Social Spending increased steadily between 1972 and 1981, declined from 1982 to 1991, following the global debt crisis, and returned to a steady growth trend starting in 1992. Both of these spurts coincided with a series of democratizations. We therefore introduce linear, quadratic and cubic time trends across the regressions. Additionally, in Columns 4-7 we include a set of instrumental variables to capture the exogenous variation in both our measures of elite weakness and in All Democracies. Finally, we also show that the results are robust to controlling for country-specific time trends.

Column 1 presents the results of an OLS model that includes the main control variables outlined above.[53] The coefficient on Democracy After Revolution captures the increase in social spending in countries that transitioned to democracy after revolution in comparison to the baseline of countries that peacefully democratized without revolution. The coefficient on All Democracies

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[52] Per Capita GDP and Natural Resources Income is from Haber and Menaldo 2011.

[53] We address heteroskedasticity, contemporaneous correlation, and serial correlation using Driscoll Kraay Standard Errors with a Newey West adjustment with a one order lag length. The results are robust to estimating dynamic, partial adjustment models.

captures the increase in social spending in countries that peacefully democratized relative to countries that did not transition to democracy. Finally, adding the coefficient on Democracy After Revolution and All Democracies yields the increase in social spending in countries that transitioned to democracy after revolution in comparison to the baseline of countries that did not transition to democracy.

The results are consistent with theoretical expectations. Mirroring a key prediction of social conflict theory, democracies that follow a revolution have a statistically significantly higher social spending ratio by .968 percentage points relative to those that transition absent revolution. This is a full 54% increase over the within-country standard deviation for social spending among countries in the sample. Yet absent pressure from below, elites can game democracy to avoid redistribution. This helps to explain the lack of evidence for social conflict theory. A transition to democracy that does not follow a revolution is associated with a *decrease* in social spending of .357 percentage points relative to countries that did not transition to democracy. Adding the All Democracies and Democracy After Revolution coefficients indicates that countries that transition during revolution had .611 percentage points more social spending relative to countries that did not transition to democracy.

Figure 1 graphs the point estimates and confidence intervals for these coefficients, relative to the baseline category of autocracies. These results correspond to the preference ordering over regimes attributed to economic elites in our theory: social spending is highest in revolutionary democracies, making these regimes most dangerous to the interests of economic elites; lowest in gamed democracies, in line with the most preferred outcome for economic elites; with spending levels in autocracies between these two.

To examine whether the results are robust to the measure of Democracy After Revolution, Column 2 employs a version of Democracy After Revolution that draws from the Goldstone measure of revolution, the Archigos dataset (2009),[54] and secondary sources. This measure codes only successful revolutions. Democracy After (Successful) Revolution is positive and statistically significant. Meanwhile, the independent effect of Revolution on redistribution is positive but insignificant.[55]

To examine whether the results are robust to the measure of elite weakness on the eve of transition, in Column 3 we substitute Democracy with Autocratic Constitution for Democracy After Revolution. We note that a democracy that inherits a constitution from its autocratic predecessor signifies that elites were relatively *strong* on the eve of transition: able to impose their preferred institutions upon the next regime. Therefore, a democracy with an autocratic constitution should exhibit *lower* levels of social spending than one with its own constitution. The results are again consistent with our theory. Social spending in a democracy that inherits a constitution from its autocratic predecessor is an estimated .42 percentage points lower than the estimated spending in a democracy that adopts its own constitution upon transition.

Treating Elite Weakness as Potentially Endogenous

Are the results in Columns 1-3 affected by endogeneity bias, either as a result of omitted variables correlated with elite weakness on the eve of transition or reverse causation? To address these concerns, we turn to an instrumental variable (IV) approach designed to capture the

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[54] Goemans, Gleditsch, and Chiozza 2009.

[55] The Column 2 results are weaker using the Goldstone 1998 measure of revolution, which unfortunately suffers from shorter temporal availability (1972 to 1998) and therefore drops 30% of observations. The results, however, regain statistical significance for all three measures of redistribution when dropping other insignificant controls that restrict the number of total observations.

exogenous variation in Democracy After Revolution and Democracy with Autocratic Constitution. All Democracies is possibly endogenous as well. Therefore, we also estimate another first stage regression across the IV models in which we instrument All Democracies. The instruments across all of these potentially endogenous variables appear to satisfy the exclusion restriction and are therefore valid ways of capturing their exogenous variation.

To capture the exogenous variation in elite weakness, we draw on Olson, who argues that dictators with long time horizons are more likely to act as economic stewards and deliver policies that are more beneficial to the population than those of a myopic, rent-seeking dictator.[56] Dictators with these longer time horizons should generate fewer grievances and have a firmer grip on power, reducing the likelihood that a shock will create a focal point that the opposition can exploit to organize collectively. It is therefore less likely that the country will experience a democratic transition in the midst of elite weakness, whether during a revolution or during a radically reformist process in which the (autocratic) constitution is overturned. To construct an exogenous measure of discount rates, we follow Popa, who uses the log of a leader's age when he took power and its squared term to identify leaders' time horizons.[57] We use the variable Age at Entry, from Archigos, and expect the linear term to be negative and the squared term positive, indicating that time horizons increase as a leader ages, but then reverse course and get shorter once the dictator's age surpasses a critical threshold. Like Popa, we code the age of entry only for non-transitional dictators pre-democratization.

To instrument All Democracies, we follow the empirical research on the determinants of

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[56] Olson 1993.

[57] Popa 2012.

democratization. Our first instrument is the Number of Consolidated Democracies in the Region.[58] The logic is that a democracy is more likely to emerge and survive in a friendly environment where there are a greater number of democracies. As a second instrument for All Democracies, we follow Eichengreen and Leblang and use the years a country has been independent.[59] As these authors discuss, countries with a longer history of sovereignty are more likely to adopt institutions that are democratic.

As with our key independent variables that measure elite weakness, the instruments that we code for both elite weakness on the eve of transition and All Democracies also capture the legacies of the values observed upon transition.

Column 4a reports the coefficients calculated from the first stage regression where Democracy After Revolution is the dependent variable.[60] The relevant instrumental variables are the log of the age at which the outgoing dictator took power and its squared term. The control variables from Columns 1-3, the instruments for All Democracies, and country fixed effects are also included. The results reported in Column 4a conform to theoretical expectations: the coefficient on age at

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[58] Consolidated Democracy is operationalized as "Coherent Democracy" following Gleditsch and Ward 2006. See Supplementary Appendix for coding rules. The number of democracies in the region is logged (after adding 1) and lagged by one period.

[59] Eichengreen, and Leblang 2008. Countries that became independent prior to 1800 are considered sovereign starting in 1800.

[60] Because there is no IV estimator for a dichotomous dependent variable in the first stage in a panel model with country fixed effects, we estimate the first stage models via OLS.

entry is negative and highly significant, whereas the squared term is positive and highly significant.[61] We also estimate, but do not report, the coefficients calculated from another first stage regression where All Democracies is the dependent variable.[62] These results also conform to theoretical expectations.

Column 4b reports the coefficients calculated from the second stage regression in which Social Spending is the dependent variable. The predicted values from the first stage regressions are used for Democracy After Revolution and All Democracies, respectively. The results from the previous columns hold: Democracy After Revolution is a strong predictor of higher social spending under democracy. Importantly, the Sargan Test of the over-identifying restrictions returns a chi-square of 0.172 (p=0.92); we therefore fail to reject the hypothesis that these instrumental variables are exogenous.

The Sargan Test increases our confidence that our instruments are valid. There remains a possibility, albeit remote, that if the first instrument is weakly correlated with the error term and also correlated with systematic pre-transition trends in social spending that differ between countries that transition during revolution and those that do not, then the exclusion restriction may be violated. This concern is relevant if the countries that experience transitions under conditions of elite weakness have systematically higher or lower levels of social spending before transition than those that experience transitions under conditions of elite strength. Although a formal test of differences

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[61] Furthermore, an F-test on the instruments in Stage 1 where the dependent variable is Democracy After Revolution yields a chi-squared of 51.02 (p<.001), easily passing the commonly used threshold separating strong from weak instruments.

[62] We follow conventional practice and include the full set of four instruments in both first stage regressions.

in pre-treatment trends does not reveal this to be the case once controls are added, Column 5 adds country-specific time trends to the Column 4 estimation. The results in both the first and second stages slightly strengthen, confirming the Column 4 findings.

Columns 6 and 7 present a set of IV estimations that are specified similarly to Columns 4 and 5, but use Democracy with Autocratic Constitution instead of Democracy After Revolution.[63] The instruments in the first stage regressions are again strongly correlated with the potentially endogenous variables (Columns 6a and 7a). Furthermore, the second stage regressions support the previous findings in the table: when elites are strong upon democratization, social spending under democracy is systematically lower (Columns 6b; the Sargan Test again fails to reject the null that the instruments are valid) and even lower when country specific time trends are included (Column 7b).

The IV coefficients in Table 2 for both measures of elite weakness on the eve of transition (Columns 4-7) are notably larger than the OLS coefficients (Columns 1-3). Because the Sargan Tests indicate that the instruments are valid, the measures of elite weakness are most likely endogenous (see the diagnostics reported in the previous footnote), and the direction of bias is apparently against our hypothesis. One possible omitted factor in the OLS equation that may confound the association between elite weakness and redistribution and lead us to underestimate the true effect is the strength of political parties. Weak political parties may be positively correlated with elite weakness, making it less likely that oligarchs can organize to capture politics on the eve of transition. At the same time, weak parties may be negatively correlated with redistribution following democratization since they

[63] Both a Wu-Hausman F-test and a Durbin-Wu-Hausman chi-square test reject the hypotheses that either measure of elite weakness is exogeneous, although Hausman specification tests fail to reject the hypothesis that the coefficients from an OLS approach differ from those produced by an IV approach.

tend to be less responsive to the preferences of the majority. Another factor that would act similarly is whether there is foreign pressure from creditors and international institutions for neoliberal reforms, in that these may make social unrest more likely upon transition while putting pressure on government to keep spending low. Therefore, accounting for these and other potential sources of endogeneity implicitly in the IV framework yields a more accurate estimate of the effect of Democracy After Revolution and Democracy with Autocratic Constitution on Social Spending.

Measuring Redistribution as Spending on Welfare and Social Insurance

Do the Table 2 results reflect the impact of elite weakness upon transition simply on social spending, or does the strength of elites also affect other forms of redistribution? Column 1 of Table 3 repeats the same specification as Table 2, Column 1, but measures the dependent variable of redistribution as Welfare and Insurance. Figure 1 again plots the estimated effects. Democracies that follow a revolution have a statistically significantly higher ratio of spending on welfare and social insurance by .369 percentage points relative to those that do not follow a revolution. This is an estimated 19% increase over the within-country standard deviation for spending on welfare and social insurance among countries in the sample. Relative to autocracies, democracies that follow revolution spend .356 percentage points more on welfare and social insurance. A transition to democracy that does not follow a revolution is again negative relative to autocracies (-.014) but not statistically significant.

As in Table 2 Column 2, Column 2 of Table 3 again examines whether the Column 1 results are robust to the measure of Democracy After Revolution by coding only successful revolutions. Democracy After (Successful) Revolution is positive and highly significant.

In Column 3, the key independent variable is Democracy with Autocratic Constitution instead of Democracy After Revolution. The results are weaker. Although Democracy with Autocratic Constitution is still negatively signed, it is not significant at conventional levels (p=0.26).

Yet the lack of statistical significance for Democracy with Autocratic Constitution in Column 4 may simply be a function of the fact that this is a very inclusive category that suffers from measurement error and therefore yields a noisy estimate of the causal effect of elite manipulation on welfare and social insurance spending.[64]

Unraveling Elite-Biased Institutions: Democratic Amendments to Autocratic Constitutions

In Column 4 and Column 5, we introduce Democracy Amends Autocratic Constitution, a variable that denotes whether the constitution inherited by a democracy from its autocratic predecessor was subsequently amended. This should therefore improve the fidelity of the "signal" of the causal effect of elite manipulation on redistribution provided by Democracy with Autocratic Constitution. The results bear this out. In Column 4 we re-introduce social spending as the dependent variable. Compared to democracies that adopt their own constitutions upon transition, democracies with autocratic constitutions experience a 1.639 percentage point decrease in social spending, or a 92% decrease over the within-country standard deviation for social spending among countries in the sample. And relative to autocracies, democracies that inherit autocratic constitutions have 1.13 percentage points less social spending. Figure 1 plots the estimated effects relative to the baseline category of autocracies. The results again correspond to the preference ordering over regimes attributed to economic elites in our theory: social spending is highest in democracies with their own constitutions; lowest in democracies with autocratic constitutions; with spending levels in autocracies between these two. Finally, for democracies that inherit a constitution from their autocratic predecessors but amend them at some point after the transition, the effect on social

[64] The results of several Hausman-based diagnostic tests suggest that an OLS approach is preferred to an IV approach for both Democracy After Revolution and Democracy with Autocratic Constitution when the dependent variable is spending on welfare and social insurance.

spending is, as predicted, positive, quite strong, and highly significant.

In Column 5, the negative effect of Democracy with Autocratic Constitution on spending on welfare and insurance is now stronger in magnitude and—unlike Column 3—highly statistically significant. Compared to democracies that adopt their own constitutions during democratization, democracies with autocratic constitutions experience a .756 percentage point decrease in spending on welfare and social insurance, a 38% decrease over the within-country standard deviation for spending on welfare and social insurance in the sample (see Figure 1 for effects relative to autocracy baseline). Conversely, for democracies that inherit a constitution from their autocratic predecessors but amend them at some point after the transition, the effect on spending on welfare and social insurance is positive and statistically significant (p=.05).[65]

Measuring Redistribution as Progressive Taxation

Are the results reported in Table 3 robust to measuring redistribution as the progressivity of the tax structure? In Table 4 we measure redistribution as Progressive Taxation and use model specifications similar to Table 3. In Column 1, the measure of elite weakness is Democracy After Revolution. The results are as expected: democracies that follow revolutions have an estimated .994

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[65] Social conflict theory suggests that the effect of democracy should strengthen at higher levels of inequality. Therefore, the dampening effect of elite manipulation on redistribution after democratic transition should also strengthen with higher inequality. To test this hypothesis, we added an interaction term between countries' level of income inequality and Democracy with Autocratic Constitution into the Table 3 regressions. As expected, the coefficient on the interaction term is negative and statistically significant. Meanwhile, for democracies *without* autocratic constitutions, increases in income inequality translate into *increases* in social spending and spending on welfare and insurance. See the Supplementary Appendix for results.

percentage points higher progressive taxation than those that do not. This is a 39% increase over the within-country standard deviation in progressive taxation among countries in the sample. A transition to democracy that does not follow revolution actually reduces progressive taxation. In Column 2 we measure elite strength as Democracy with Autocratic Constitution. As expected, the coefficient is negative.[66] Also, as before, if we add Democracy Amends Autocratic Constitution (Column 3), it is positive and highly significant and the negative coefficient on Democracy with Autocratic Constitution strengthens (translating to a 48% decrease over the within-country standard deviation in progressive taxation).[67]

Redistribution, or are the Poor Simply Getting What they Paid for?

While elite weakness may generally make public spending or taxation more progressive, are the same cases that have progressive tax structures those that have progressive public spending? Failing to control for the structure of taxation may actually bias in favor of concluding that higher spending on social programs yields higher redistribution. This would be the wrong conclusion to

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[66] While the results across diagnostic tests reject the hypothesis that Democracy with Autocratic Constitution is endogenous when progressive taxation is the dependent variable, there is evidence from the Hausman-based tests that Democracy After Revolution may be endogenous. As with the findings on Social Spending, if we instead use an IV approach to estimate the effect of Democracy After Revolution on progressive taxation, the substantive results strengthen.

[67] If we instead collapse episodes in which democracies follow revolutions and episodes in which democracies do not inherit autocratic constitutions into a single composite measure of elite weakness upon transition, the results are similar: elite weakness yields higher redistribution under democracy whether measured as Social Spending, Welfare and Insurance, or Progressive Taxation. See Supplementary Appendix for results.

draw if, for example, the tax structure is flatter when social spending is more progressive, implying that perhaps the poor are paying a greater share of what they receive. Indeed, flat tax structures alongside progressive social spending has been increasingly common in developing states that have received IMF assistance and lowered marginal tax rates while maintaining their social safety nets. To address this concern, we now control for the progressivity of the tax structure. Because we include country fixed effects, we can hold the tax structure constant at each country's mean level of income taxation and therefore impose a more progressive tax structure during years in which they empirically exhibit relatively flatter tax structures and relatively higher social spending.

To evaluate this hypothesis in Columns 4-7 of Table 4 we introduce Progressive Taxation on the right-hand side of the equation. Democracy After Revolution remains positively associated with Social Spending (Column 4), as well as with Welfare and Insurance (Column 5). Conversely, Democracy with Autocratic Constitution is negatively associated with both Social Spending (Column 6) and Welfare and Insurance (Column 7).

HOW THE GAME IS PLAYED: MECHANISMS OF ELITE CONTROL FOLLOWING TRANSITION

Our theory identifies several ways in which outgoing elites can manipulate a new democracy's constitution and vouchsafe their interests after the transition. First, constitutions inherited from autocracy may institutionalize the over-representation of economic elites, leading to a greater probability of rightwing executives. Second, these constitutions may usher in proportional representation, in a bid to make it more likely that small conservative parties gain a political foothold and induce gridlock. Third, these constitutions may be associated with larger militaries, which can act as a deterrent against violations of elite interests. Finally, democracies that inherit autocratic constitutions should exhibit electoral rules and institutions that make it easier for powerful interests to assert their control over local politics by depriving localities of electoral voice and autonomy.

In this section, we examine the empirical evidence for these mechanisms. The variables used to operationalize these hypotheses are taken from Beck et al.[68], with the exception of military size, which is taken from the Correlates of War project. To operationalize the propensity of rightwing parties controlling the executive branch we use ERLC, which is coded as a "1" if the Executive is from a rightwing party, "2" if the Executive is from a leftwing party and "3" if the Executive is from a centrist party. To operationalize whether constitutions inherited from autocracy are associated with proportional representation we use *PR*, which is coded as "1" if proportional representation is used as an electoral rule in any legislative chamber. To operationalize local autonomy we use two variables, MUNI and AUT. MUNI indicates whether municipal governments are locally elected. It is coded "0" if neither the local executive nor the local legislature are directly elected by the local population that they govern; 1 if either is directly elected and the other is indirectly elected or appointed; and 2 if they are both directly and locally elected. AUT is coded as 1 if subnational governments have extensive taxing or regulatory authority, which might enable subnational populists to challenge an anti-redistributionist status quo established at the national level.

Table 5 reports a series of static panel models that use constitutions inherited from an autocracy as the key independent variable. The control variables from Table 3 are also included. We also follow Easterly and control for persistent structural inequality as log(%Land Suitable for Wheat to %Land Suitable for Sugar Cane), because this is an alternative explanation for conservative bias.[69] Those places with a history of wheat grown on family farms have had persistent egalitarian institutions and places with a history of sugar cane grown on large plantations have had persistent

[68] Beck et al. 2001.

[69] Easterly 2007.

inegalitarian institutions and policies.[70] In the regression where the size of the military is the dependent variable we also control for a running count of Militarized Interstate Disputes and a running count of International Wars from the Correlates of War. To control for temporal dependence in the probit, multinomial logit and ordered logit models we follow the literature by including linear, quadratic and cubic terms for years. In those models, contemporaneous correlation and heteroskedasticity are addressed by estimating robust clustered errors clustered by year. In the model where the size of the military is the dependent variable we again estimate an OLS model with Driscoll Kraay standard errors.

In Column 1 the dependent variable is *ERLC*. Because this is a nominal variable with three categories, we estimate a multinomial logit model with leftist party as the baseline category. While autocratic constitutions raise the probability of observing a rightwing party by 20%, they reduce the probability of observing a centrist party by 21%. In Column 2, the dependent variable is a binary measure of PR. We therefore estimate a probit model. Constitutions inherited from autocracy are positively associated with PR. These constitutions raise the probability of observing PR in a democracy by 23%.[71] In Column 3, the dependent variable is log(Size Military per 100 People). A constitution inherited from a dictatorship increases the size of the military by 45%. In Column 4, the dependent variable is *MUNI*. While a constitution inherited from a dictatorship raises the probability that either the local executive or local legislature is indirectly elected by 14%, it lowers the probability that both are directly and locally elected by 23%. Finally, in Column 5 the dependent variable is AUT and we estimate a probit model. A constitution inherited from a dictatorship lowers the

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[70] See Supplementary Appendix.

[71] To compute this and other marginal effects, we set Democracy to "1", Revolution to "0" and the rest of the covariates to their means.

probability that subnational governments will have extensive taxing, spending or regulatory authority by 31%.

CONCLUSION

A host of eminent political thinkers have long equated democracy with fears that the masses will soak the rich and stoke class warfare (e.g., Aristotle, de Tocqueville, Madison), leading to the repression of the poor under oligarchy. Social conflict theory largely echoes these claims. Yet there is little systematic evidence that democracy produces these results; indeed, recent work has shown that democracy need not threaten the rich, even under conditions of high inequality. This has made proponents of equality quite pessimistic about contemporary democracy's ability to promote social justice.[72] We demonstrate that the contradiction between the view that democracy is tantamount to rule by the poor and the view that democracy will be captured by the rich is more apparent than real.

Because political elites sometimes have strong incentives to harm economic elites, economic elites will prefer democracy to autocratic rule under the right circumstances, either due to the absence of revolutionary pressure or the ability to control rulemaking upon democratization through constitutional engineering. Our theory therefore anticipates a relationship between democracy and redistribution, but *only* if democratization occurs when economic elites are politically weak. More frequently, they bargain for transition on favorable terms, avoiding redistribution after transition.

In support of our argument, we use panel data with global coverage to show that there is a positive relationship between democracy and redistribution when democratization occurs in the wake of revolution or if a democracy resists inheriting a constitution from its autocratic predecessor. This relationship is dominated by countries that are more unequal. It is robust to country and year fixed effects, country-specific time trends, instrumental variables, and other econometric

[72] Winters 2011.

assumptions. It also holds across three different measures of redistribution: social spending, spending on welfare and insurance and the progressivity of the tax structure. To the best of our knowledge, these data represent the most complete and comprehensive fiscal redistribution data available. We also provide empirical support for the mechanisms whereby elites that engineer democratic transition vouchsafe their interests.

Several important questions remain. Does the disproportional influence of economic elites over a democracy's taxing and spending also hold for the underlying structure of the economy and the strength of capitalism itself? What specific constitutional provisions are most effective at safeguarding elite interests as democracy matures? And, given the finding that the masses can sometimes weaken elite-biased institutions, what are the most propitious circumstances for doing so?

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Table 1. Cases of Democratic Transition, 1950-2008

Country	Transition Year	Transition Circumstances*	Country	Transition Year	Transition Circumstances*
Albania	1991	-	Liberia	2006	A
Argentina	1958	A	Madagascar	1993	A
Argentina	1963	BA	Malawi	1994	-
Argentina	1973	A	Mali	1992	B
Argentina	1983	B	Mauritania	2007	-
Bangladesh	1986	-	Mexico	2000	BA
Benin	1991	GA	Mongolia	1990	-
Bhutan	2007	-	Myanmar	1960	-
Bolivia	1979	BA	Nepal	1990	-
Bolivia	1982	BA	Nepal	2008	-
Brazil	1979	A	Nicaragua	1984	B
Bulgaria	1990	BGA	Niger	1993	BA
Burundi	1993	A	Niger	2000	BA
Burundi	2005	BA	Nigeria	1979	A
Cen. African Rep.	1993	A	Nigeria	1999	B
Chile	1990	A	Pakistan	1972	BA
Colombia	1958	BGA	Pakistan	1988	A
Comoros	1990	BA	Pakistan	2008	-
Comoros	2004	BA	Panama	1952	BA
Congo	1992	-	Panama	1989	A
Cyprus	1983	A	Paraguay	1989	A
Czechoslovakia	1989	A	Peru	1956	A
Dominican Rep.	1966	B	Peru	1963	BA
Ecuador	1979	A	Peru	1980	A
Ecuador	2002	-	Peru	2001	BA
El Salvador	1984	BA	Philippines	1986	BG
Fiji	1992	A	Poland	1989	GA
Georgia	2004	BA	Portugal	1976	B
Ghana	1969	-	Romania	1990	BGA
Ghana	1979	-	Senegal	2000	A
Ghana	1993	A	Serbia	2000	BA
Greece	1974	B	Sierra Leone	1996	B
Guatemala	1958	BA	Sierra Leone	1998	B
Guatemala	1966	A	Spain	1977	A
Guatemala	1986	A	Sri Lanka	1989	BA
Guinea-Bissau	2000	BA	Sudan	1965	GA
Guinea-Bissau	2004	BA	Sudan	1986	BA
Honduras	1957	B	Taiwan	1996	-
Honduras	1971	A	Thailand	1975	A
Honduras	1982	-	Thailand	1979	A
Hungary	1990	BGA	Thailand	1992	BA
Indonesia	1999	A	Thailand	2008	-
Jamaica	1962	-	Turkey	1961	B
Kenya	1998	A	Turkey	1983	A
Korea, South	1960	A	Uganda	1980	B
Korea, South	1988	GA	Uruguay	1985	-
Kyrgyzstan	2005	A	Venezuela	1959	BGA

Note: Table 1 includes all cases of democratic transition from 1950-2008 as coded by Cheibub, Gandhi, and Vreeland (2009). Data on revolutions as coded by Goldstone end in 1998. Data on constitutions as coded by Elkins et al. (2010) end in 2006.

* Transition Circumstances are as follows. B: Revolution coded by Banks in year prior to transition. G: Revolution coded by Goldstone in year prior to transition. A: Autocratic constitution adopted prior to democratic transition.

Table 2. Elite Weakness Upon Transition and Social Spending

t-statistics in brackets; instruments from first stage regressions of IV models in bottom panel.

	(1)	(2)	(3)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(7a)	(7b)
ESTIMATION STRATEGY	OLS-DKSE FE	OLS-DKSE FE	OLS-DKSE FE	IV-2SLS FE	IV-2SLS FE	IV-2SLS FE	IV-2SLS FE	IV-2SLS FE	IV-2SLS FE	IV-2SLS FE	IV-2SLS FE
DEPENDENT VARIABLE	**Social Spending**	**Social Spending**	**Social Spending**	**Elite Weakness**	**Social Spending**	**Elite Weakness**	**Social Spending**	**Elite Weakness**	**Social Spending**	**Elite Weakness**	**Social Spending**
MEASURE OF ELITE WEAKNESS	*Democracy After Revolution*	*Dem. After Sucessful Rev.*	*Democracy w/ Aut. Constitution*	*Democracy After Revolution*	*Democracy After Revolution*	*Democracy After Revolution*	*Democracy After Revolution*	*Democracy w/ Aut. Constitution*	*Democracy w/ Aut. Constitution*	*Democracy w/ Aut. Constitution*	*Democracy w/ Aut. Constitution*
Elite Weakness	0.968	0.76	-0.42		2.757		2.987		-1.537		-2.91
	[3.20]***	[2.96]***	[2.06]**		[2.35]**		[2.24]**		[2.20]**		[4.48]***
All Democracies	-0.357	-0.221	0.235		-0.945		-1.544		1.086		1.506
	[1.59[	[1.16]	[1.09]		[1.97]**		[2.94]***		[2.31]**		[3.27]***
Revolution	-0.34	-0.308	-0.322	0.005	-0.352	-0.019	-0.024	0.011	-0.288	0.005	-0.042
	[3.68]***	[3.24]***	[3.55]***	[0.55[	[2.86]***	[2.36]**	[0.21]	[1.01]	[2.32]**	[0.51]	[0.38]
log(Per Capita Income)	1.996	1.85	1.962	-0.108	2.167	-0.067	-0.361	0.12	2.109	-0.009	-0.121
	[7.00]***	[6.84]***	[7.60]***	[5.96]***	[8.47]***	[3.18]***	[0.97]	[5.83]***	[8.62]***	[1.01]	[0.31]
Manufacturing Value Added	-0.049	-0.051	-0.046	0.002	-0.052	0.001	-0.036	0.004	-0.043	0.078	-0.031
	[2.66]***	[2.76]***	[2.47]**	[2.39]**	[4.18]***	[1.09]	[2.55]**	[3.38]***	[3.49]***	[1.08]	[2.18]**
log(Population)	3.057	2.951	2.923	-0.154	3.311	-0.007	1.946	-0.009	2.944	0.16	2.16
	[4.64]***	[4.50]***	[4.54]***	[3.79]***	[6.17]***	[0.12[	[2.57]**	[0.20[	[5.75]***	[3.03]***	[2.84]***
log(Natural Resources Income PC)	0.007	0.018	0.004	-0.003	0.008	-0.005	0.199	-0.013	0.002	0.001	0.133
	[0.07[	[0.17]	[0.04]	[0.54]	[0.11]	[0.79]	[2.17]**	[1.88]*	[0.03]	[0.69]	[1.43]
Trade Openness	-0.008	-0.008	-0.008	0.001	-0.01	0	-0.002	-0.001	-0.009	0	-0.002
	[1.69]*	[1.59]	[1.63]	[4.07]***	[3.66]***	[1.15]	[0.76]	[3.56]***	[3.41]***	[0.03]	[0.80]
Old Age Ratio	-0.34	-0.329	-0.321	0.018	-0.377	0.026	-0.727	-0.012	-0.325	-0.034	-0.711
	[3.89]***	[3.75]***	[3.70]***	[2.93]***	[4.54]***	[2.69]***	[5.41]***	[1.67]*	[4.11]***	[2.69]***	[5.36]***
log(Age at Entry, Last Dictator)				-0.324		-0.837		0.904		1.14	
				[3.21]***		[8.73]***		[7.86]***		[9.10]***	
log(Age at Entry, Last Dictator)^2				0.682		1.862		-1.587		-2.078	
				[4.35]***		[9.57]***		[6.68]***		[8.18]***	
log(Democracies in Region) t-1 at Transition				-0.114		-0.051		0.212		0.278	
				[6.89]***		[3.66]***		[14.61]***		[15.23]***	
Years as Sovereign Nation at Transition				0.001		0.001		-0.001		-0.001	
				[5.14]***		[2.73]***		[5.49]***		[3.56]***	
Non-linear Time Trends	YES	YES	YES	YES	YES	NO	NO	YES	YES	NO	NO
Country Fixed Effects	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Country Specific Time Trends	NO	NO	NO	NO	NO	YES	YES	NO	NO	YES	YES
Observations	2189	2189	2189	2189	2189	2189	2189	2189	2189	2189	2189
Number of countries	123	123	123	123	123	123	123	123	123	123	123

* significant at 10%; ** significant at 5%; *** significant at 1%

Notes: DKSE = Driscoll Kraay Standard Errors. Intercepts estimated but not reported; linear, quadratic and cubic time trends estimated but not reported. Country fixed effects controlled for via within transformation. For OLS-DKSE FE regressions, robust t statistics in brackets with a Newey West correction for serial correlation. IV-OLS FE regressions robust to IV-GMM approach. All controls starting with log(Per Capita Income) lagged by one period. All Democracies instrumented with log(Democracies in Region) t-1 and Years as Sovereign Nation at Transition in models 4 through 7; these stage 1 regressions not reported due to space limitations but available upon request.

Table 3. Elite Weakness Upon Transition and Spending on Welfare and Social Insurance

Robust t-statistics in brackets

DEPENDENT VARIABLE	(1) *Welfare & Insurance*	(2) *Welfare & Insurance†*	(3) *Welfare & Insurance*	(4) *Social Spending*	(5) *Welfare & Insurance*
Democracy after Revolution	0.369	0.769			
	[2.04]**	[4.92]***			
Democracy with			-0.294	-1.639	-0.756
Autocratic Constitution			[1.12]	[5.53]***	[3.17]***
Democracy Amends				2.048	0.333
Autocratic Constitution				[3.50]***	[2.03]**
All Democracies	-0.014	-0.065	0.292	0.509	0.668
	[0.07]	[0.46]	[0.97]	[2.60]**	[2.73]***
Revolution	-0.3	-0.271	-0.287	-0.208	-0.249
	[3.22]***	[2.91]***	[3.10]***	[2.18]**	[2.65]***
log(Per Capita Income)	-0.894	-0.984	-0.887	2.025	-0.835
	[3.40]***	[3.99]***	[3.69]***	[7.24]***	[3.18]***
Manufacturing Value Added	-0.014	-0.017	-0.012	-0.048	-0.006
	[0.92]	[1.14]	[0.84]	[2.40]**	[0.35]
log(Population)	-0.108	-0.134	-0.159	5.786	1.161
	[0.14]	[0.17]	[0.21]	[8.98]***	[1.00]
log(Natural Resources Income PC)	-0.003	0.007	-0.005	0.135	-0.066
	[0.03]	[0.06]	[0.05]	[1.45]	[0.47]
Trade Openness	-0.004	-0.004	-0.004	-0.007	-0.003
	[2.27]**	[2.18]**	[2.06]**	[1.59]	[1.74]*
Old Age Ratio	0.079	0.077	0.086	0.137	0.236
	[0.67]	[0.64]	[0.74]	[1.49]	[1.64]
Non-linear Time Trends	YES	YES	YES	YES	YES
Country Fixed Effects	YES	YES	YES	YES	YES
Observations	2130	2130	2130	2003	1946
Number of countries	122	122	122	118	117

* significant at 10%; ** significant at 5%; *** significant at 1%

†Democracy After Revolution coded as "Successful Revolutions"

Notes: linear, quadratic and cubic time trends estimated but not reported. Country fixed effects controlled for via within-transformation technique. Driscoll-Kraay robust t statistics in brackets with a Newey West correction for serial correlation. All controls starting with log(Per Capita Income) lagged by one period.

Table 4. Elite Weakness Upon Transition, Progressive Taxation, and Redistribution

Dependent Variable is Redistribution % GDP
Robust t-statistics in brackets

DEPENDENT VARIABLE	(1) *Progressive Taxation*	(2) *Progressive Taxation*	(3) *Progressive Taxation*	(4) *Social Spending*	(5) *Welfare & Insurance*	(6) *Social Spending*	(7) *Welare & Insurance*
All Democracies	-0.516	0.221	0.237	-0.293	0.054	0.432	0.649
	[2.83]***	[0.96]	[1.02]	[1.34]	[0.29]	[2.15]**	[2.54]**
Democracy After Revolution	**0.994**			**0.82**	**0.313**		
	[7.68]*			**[2.75]***	**[1.89]***		
Democracy with		**-0.625**	**-1.228**			**-1.476**	**-0.712**
Autocratic Constitution		**[3.38]***	**[3.95]***			**[5.64]***	**[2.73]***
Democracy Amends			0.935			1.939	0.318
Autocratic Constitution			[3.82]***			[3.54]***	[1.60]*
Revolution	0.131	0.145	0.141	-0.273	-0.304	-0.144	-0.264
	[0.81]	[0.90]	[0.82]	[3.18]***	[3.11]***	[1.61]	[2.73]***
Progressive Taxation				0.104	0.021	0.09	0.026
				[2.61]**	[0.75]	[2.36]**	[0.86]
log(Per Capita Income)	4.123	4.063	4.115	1.535	-1.027	1.584	-0.985
	[5.95]***	[5.73]***	[5.62]***	[8.26]***	[4.19]***	[9.22]***	[4.37]***
Manufacturing Value Added	0.65	0.639	0.636	-0.06	-0.031	0.06	-0.071
	[6.74]***	[6.46]***	[5.90]***	[0.93]	[0.23]	[0.72]	[0.55]
log(Population)	-0.076	-0.074	-0.08	-0.042	-0.013	-0.041	-0.002
	[4.26]***	[4.06]***	[4.21]***	[2.34]**	[0.75]	[2.24]**	[0.09]
log(Natural Resources Income PC)	-1.106	-1.363	-1.736	3.968	-0.268	5.78	1.102
	[1.24]	[1.50]	[1.50]	[7.33]***	[0.26]	[8.69]***	[0.97]
Trade Openness	0.004	0.004	0.003	-0.007	-0.004	-0.006	-0.003
	[1.04]	[1.04]	[0.83]	[1.47]	[1.99]**	[1.45]	[1.47]
Old Age Ratio	-0.565	-0.557	-0.542	-0.25	0.106	0.145	0.254
	[6.03]***	[5.86]***	[4.46]***	[2.73]***	[0.79]	[1.60]	[1.78]*
Non-linear Time Trends	YES	YES	YES	YES	YES	YES	YES
Country Fixed Effects	YES	YES	YES	YES	YES	YES	YES
Observations	2659	2659	2540	2092	2035	1979	1922
Number of countries	134	134	130	120	119	116	115

* significant at 10%; ** significant at 5%; *** significant at 1%

Notes: linear, quadratic and cubic time trends estimated but not reported. Country fixed effects controlled for via within-transformation technique. Driscoll-Kraay Robust t-statistics in brackets with a Newey West correction for serial correlation. Elite Weakness Composite is Democracy After Constitution or Democracy with Autocratic Constitution.
All controls starting with log(Per Capita Income) lagged by one period.

Table 5: Mechanisms of Elite Control

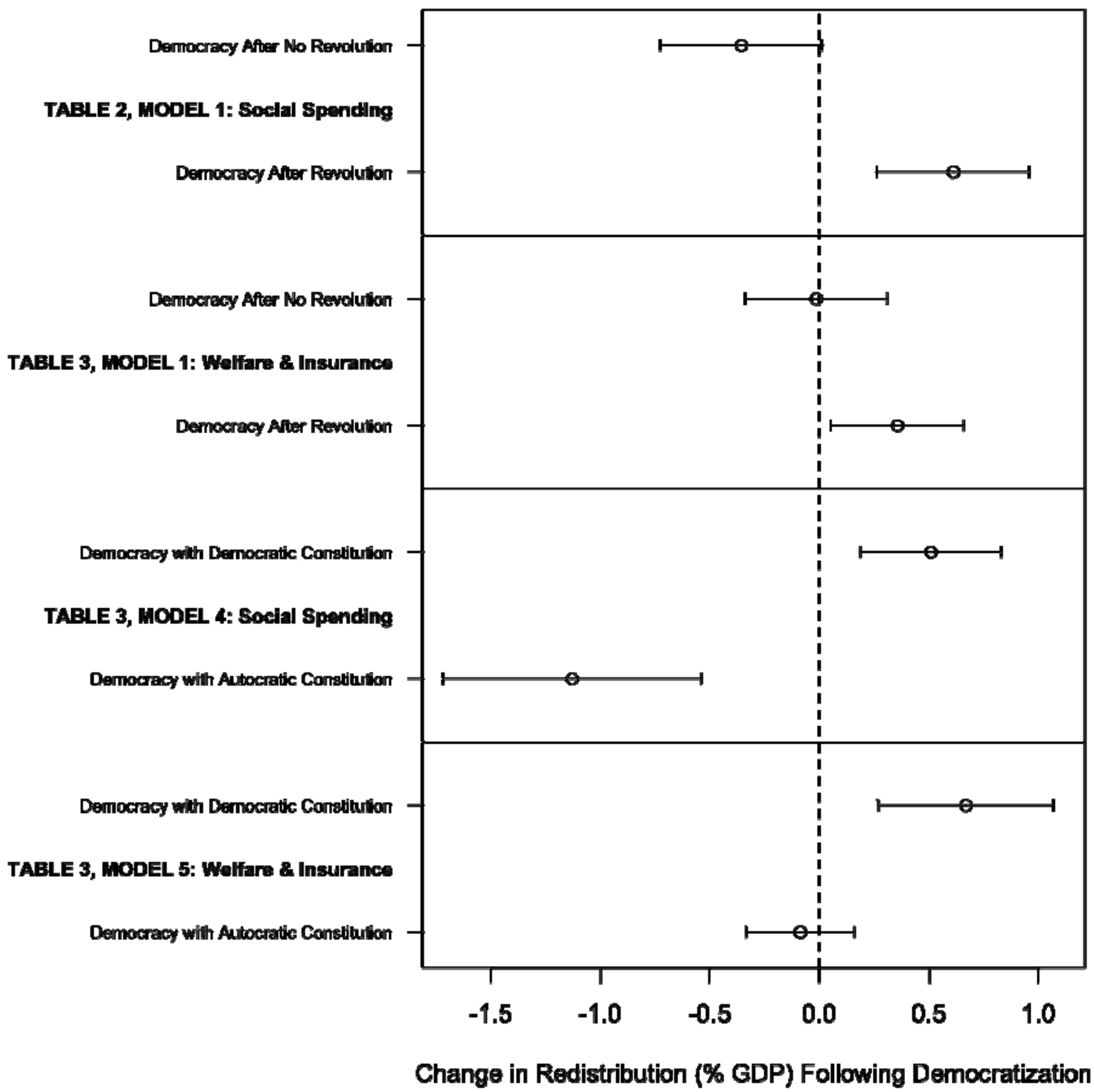
Dependent Variable is Elite-biased Measure
Robust t-statistics in brackets

	(1)	(2a)	(2b)	(3)	(4)	(5)
Dependent Variable	*PR*	*ERLC-Right*	*ERLC-Center*	*Military Size*	*MUNI*	*AUT*
SPECIFICATION	Probit	Multinomial Logit		OLS	Ordered Logit	Probit
All Democracies	0.03	-0.291	-1.125	-0.43	1.61	0.825
	[0.52]	[1.11]	[5.30]***	[6.34]***	[25.14]***	[11.68]***
Democracy with	0.782	0.326	-0.684	0.449	-1.199	-0.814
Autocratic Constitution	[11.30]***	[2.54]***	[3.91]***	[6.41]***	[8.59]***	[9.72]***
Revolution	0.138	-0.916	-1.303	0.169	0.209	0.26
	[1.72]*	[5.03]***	[6.58]***	[4.58]***	[2.17]**	[2.16]**
log(Per Capita Income)	0.041	0.299	-0.661	0.27	-0.17	0.838
	[0.90]	[2.35]**	[4.22]***	[9.49]***	[2.44]**	[18.46]***
log(Natural Resources Income PC)	-0.102	-0.004	0.229	0.087	0.009	-0.232
	[6.44]***	[0.11]	[6.95]***	[11.90]***	[0.48]	[13.06]***
Manufacturing Value Added	0.036	-0.07	-0.055	0.006	0.059	-0.025
	[6.20]***	[5.01]***	[7.26]***	[3.10]***	[11.25]***	[3.48]***
log(Population)	-0.032	0.005	0.12	-0.083	-0.162	0.247
	[1.30]	[0.07]	[2.13]**	[2.73]***	[8.24]***	[10.64]***
Trade Openness	-0.007	-0.003	0.004	0.001	-0.009	-0.005
	[16.64]***	[1.32]	[2.14]**	[3.98]***	[14.68]***	[7.74]***
Old Age Ratio	0.12	-0.054	0.07	0.023	0.195	-0.16
	[19.30]***	[1.96]**	[3.47]***	[2.75]***	[14.37]***	[21.66]***
log(Wheat Sugar Ratio)	-0.037	0.111	0.072	0.043	-0.069	0.244
	[3.38]***	[3.11]***	[2.16]**	[6.04]***	[6.89]***	[24.54]***
MID Count				0.008		
				[5.88]***		
International War Count				0.041		
				[10.67]***		
Non-linear time-trends	YES	YES	YES	YES	YES	YES
Observations	2427	2000	2000	3162	2071	1248

* significant at 10%; ** significant at 5%; *** significant at 1%

Notes: Intercept estimated but not reported. Results robust to controlling for region dummies; linear, quadratic and cubic time trends estimated but not reported.
Regressions estimated via Maximum Likelihood: standard errors clustered by year; OLS Regressions estimated using Driscoll-Kraay robust standard errors with a Newey West correction for serial correlation.
All controls starting with log(Per Capita Income) lagged by one period.

Figure 1. Democratic Transition and Predicted Redistribution by Transition Conditions



Notes: Figure 1 shows the point estimates and 90 percent confidence intervals for the variables indicated on the left-hand side. Predictions are based on the models indicated. The dashed line indicates the excluded baseline category of autocracy. The type of redistribution, whether Social Spending (% of GDP) or spending on Welfare and Insurance (% of GDP), is listed along with the model numbers.