

Sustaining Democracy under the Shadow of Force

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Abstract

We develop a dynamic model to examine the sustainability of democracy and its potential challenges. Two political parties seek to control the office of government through either elections or force. Democracy is sustained if both parties rely on competitive elections to decide who is in office. At each time, the incumbent party chooses the probability it would peacefully remain in office and redistributes incomes. We show that competitive elections are a useful yet costly tool for the incumbents: useful in preventing inefficient conflicts but placing at risk control over redistribution. Democracy can fail in two ways. One is peaceful backsliding, which occurs when the incumbent can avoid a violent conflict without holding competitive elections. Another is violent breakdown, when the incumbent chooses not to hold competitive elections expecting the control over office to be decided by force. The main result is that democracy is sustained when capacity of the state to redistribute incomes is moderate, so that control over office entails a stake that is neither too low, rendering competitive election inconsequential, nor too high, rendering parties unwilling to risk office in competitive elections. We further derive and discuss the conditions under which partisan and civilian control of military facilitate or hinder the sustainability of democracy.

1. INTRODUCTION

The central problem of political theory – three centuries ago as well as now – is why some rulers monopolize and abuse power while others accept that their rule would be moderate and possibly temporary. Even during the modern era, since 1788, power changed hands through 673 coups and 720 elections. Systems in which parties peacefully alternate in office according to results of elections – democracies – have been fragile, either because incumbents sought to monopolize power or because losers reverted to violence against the electoral outcome. Most democracies were short-lived and few have lasted more than fifty years.

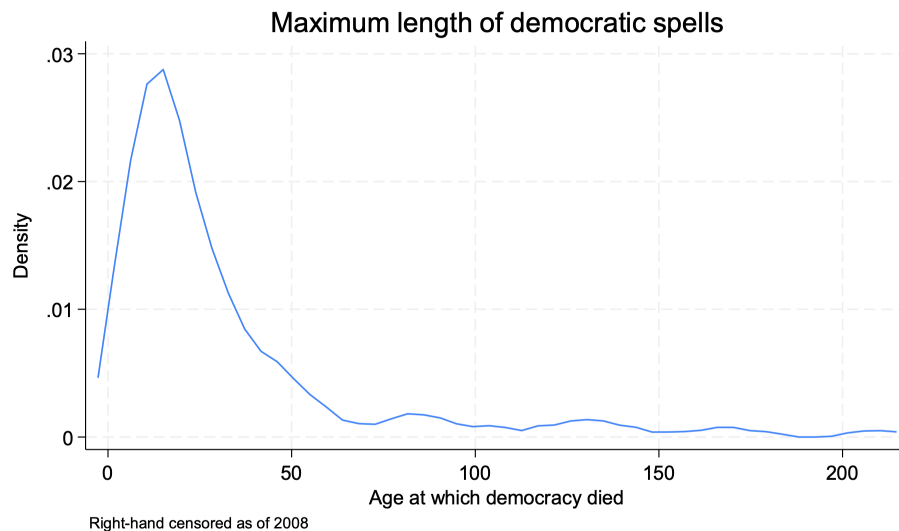


Figure 1

Figure 1 is based on a dichotomous classification of regimes [Boix, Miller and Rosato \(2013\)](#): either competitive elections are held and their results are respected or, even if they are held, they do not offer the possibility of a peaceful alternation in office. But recent years have witnessed the emergence of regimes which maintain the trappings of democracy but make peaceful alternation in office virtually impossible.¹ Democracies deteriorate into such

¹While military interventions were the dominant form of democratic breakdowns before 1990, between 70% and 80% of democratic breakdowns since then have resulted from an elected executive consolidating power

regimes by “backsliding”: “a process of incremental (but ultimately still substantial) decay in the three basic predicates of democracy — competitive elections, liberal rights to speech and association, and the rule of law” (Huq and Ginsburg, 2018).

There are thus three possible outcomes when a democratically elected incumbent assumes office: (1) Democracy: The current and the subsequent incumbents hold competitive elections while current losers peacefully accept their outcomes. (2) Electoral authoritarianism (henceforth just “Authoritarianism”):² The incumbent peacefully extends its electoral advantage, reaching a complete monopoly, by bribing the opposition whenever it presents a threat. (3) Autocracy: The incumbent suppresses the opposition by force or the opposition rises to overthrow the incumbent and the winner of conflict rules without making any concessions. Our purpose is to identify the conditions under which parties (coalitions, “political families”) peacefully alternate in office, that is, democracy survives, and the conditions under which democracy evolves into either authoritarianism or autocracy.

The process we model starts with one of the parties being an elected incumbent, so that the initial regime is a democracy. At the beginning of each period, the current incumbent first decides whether to subject itself to the possibility of peacefully losing office. It may decide not to hold elections or to hold them but without any chance for the opposition to win them: in either case, no alternation in power can then occur peacefully, so we treat these two decisions as equivalent. In turn, if the incumbent decides to expose itself to the possibility of being electorally defeated, it decides how much of a chance to win the next election to give to the current opposition. Then everyone observes whether the opposition has a chance to bargain with the incumbent.³ Having observed whether in this period bargaining is

(Lührmann and Lindberg, 2019; Svoboda, 2019).

²We hesitated what to call the regimes which maintain the trappings of democracy but deny the opposition a chance to win elections and assume office. They are variously labeled “illiberal democracy” (Zakaria, 1997), “hybrid regimes,” (Diamond, 2002), “semi-authoritarianism” (Levitsky, 2004), “electoral authoritarianism” (Schedler, 2006), or “competitive authoritarianism” (Levitsky and Way, 2010). To keep the language simple, we use just “authoritarianism.”

³One can adduce a variety of reasons for whether the incumbent needs to offer a bargain to the opposition: the opposition may be united or divided, it may or may not be able to mobilize its supporters, the economic costs of not sharing with the opposition may be low or high, the country may or may not face foreign threats.

necessary, the incumbent first decides whether to launch a violent conflict and then, if it opts against conflict, offers some share of the available resources to the opposition. Finally, given the incumbent's probability to stay in office and its decision about sharing spoils, the opposition decides whether to accept them or to engage in costly conflict. If a conflict does occur, it is resolved according to exogenously given probabilities, which depend on the partisan postures of the military⁴ but also on the extent of civilian control over the military by the incumbent. If a conflict ensues, someone becomes a dictator, extracting in each subsequent period all the resources with the loser suffering an additional cost. If there is no conflict, the current incumbent remains in office with the probability it had chosen and all the steps are repeated. Obviously, if there is an alternation in office, the decisions about the probability of staying in office and about distribution of resources are made by the new incumbent.

The final regime that emerges from these dynamics and the paths to it depend on two conditions. One is the distributive capacity of the state (the symbol is τ): how much income an incumbent can redistribute in its favor. This capacity determines the “stakes” in control over office. The second is the balance of military forces: the “shadow of force.” Whenever one party enjoys a larger probability of prevailing in an armed conflict, we refer to it as the “stronger” party and we parametrize the difference in these probabilities between the two parties assuming it reflects only the partisan postures of the military (γ). The results can be summarized in the space of electoral stakes and military imbalance as in Figure 2.

⁴The military may or may not have political preferences. One flagrant example of when they did was the 1970 election in Chile, where the military clearly revealed its opposition to the elected government and, in fact, eventually overthrew President Allende.

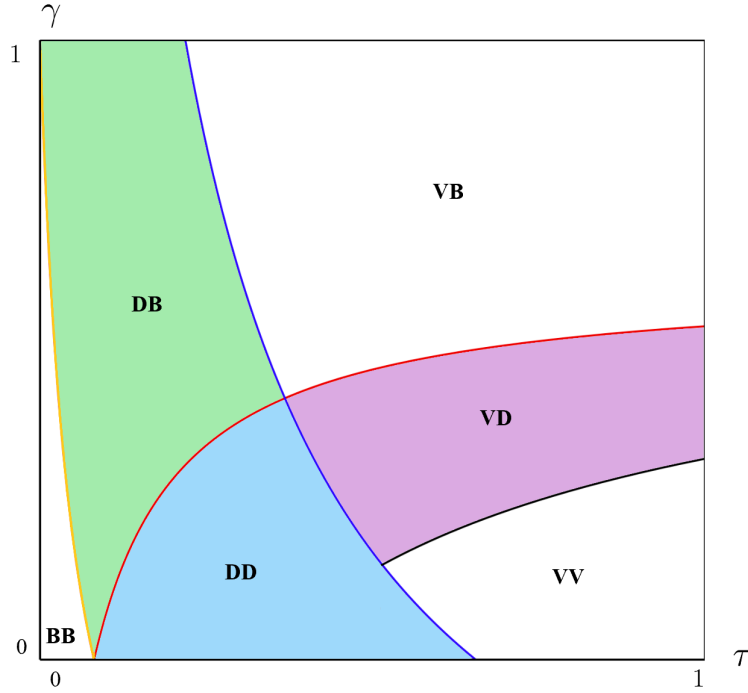


Figure 2

Notes: The areas in the figure are distinguished by the strategies of the militarily weaker and stronger parties (in this order), where B stands for backsliding, D for democracy, and V for violence. For example, DB means that the weaker party opts for democracy and the stronger one for backsliding.

Democracy is an enduring outcome if stakes in who holds office are neither too low nor too high and no one has an overly large military advantage. Something is at stake in office, so backsliding would lead to conflict, and not too much is entailed in elections, so the losers can tolerate a temporary defeat. The current losers have a reasonable chance to win in the future, alternations occurs according to the probabilities chosen by each current incumbent, and each government is moderate in extracting the spoils. Hence, distributive conflicts are processed in peace. Note that while the conditions for democracy to be sustainable hold only for a sliver of the parameter space, one should not draw the conclusion that this implies that democracy is infrequent. The conditions may be theoretically restrictive but historically frequent: in the real world, military neutrality and moderate extractive capacity may characterize many governments. So no conclusions about the frequency of democracy

should be drawn from its size in the parameter space.

When the distributive stakes in office are low, the militarily stronger party always backslides, so democracy erodes into authoritarianism. When these stakes are high and the military balance is sufficiently low, a violent conflict always ensues and democracy breaks down into autocracy. Finally, when the stakes are high and the military power is unbalanced, the final outcome depends on who is the initial incumbent: autocracy if it is the weaker party, authoritarianism if the stronger one.

To understand the paths to these absorbing outcomes, we need to examine the areas in Figure 2 one by one:

BB: When the extractive capacity is very low, both parties backslide, because the results of elections matter little, so no one is willing to engage a costly conflict and the incumbent, whoever it is, can peacefully monopolize control over office.

DB: When the extractive capacity is larger and one party is sufficiently stronger militarily, the weaker party opts for democracy, while the stronger one backslides. Hence, while the regime may be initially a democracy, the long-term outcome must be authoritarianism.

VB: When stakes in incumbency are sufficiently high and the military power is sufficiently unbalanced, the long-term outcome is path dependent. If the initial incumbent is militarily weaker, the stronger party opts for conflict. If the initial incumbent is stronger, it backslides and the weaker opposition accepts it peacefully, so that the outcome is authoritarianism.

VD: When the incumbents can extract a large share and no party has an overwhelming military advantage, autocracy emerges sooner or later. When the weaker party becomes the incumbent, the strong party does not accept an electoral defeat. When the stronger party is, it opts for democracy. It is perhaps non-intuitive that militarily more powerful incumbents would opt for democracy. The reason is that a strong party can peacefully enjoy a larger electoral advantage. Yet because sooner or later the weaker party wins an election, autocracy must emerge.

VV: When election results have major distributive consequences and neither party has a

large military advantage, neither party is willing to accept a costly electoral defeat. Hence, the outcome is autocracy.

These results hold when the incumbent government has no control over the postures of the military forces. Suppose, however, that governments can to some extent control the forces that would be decisive in a violent conflict, “the military.”⁵ Civilian control increases the probability that any incumbent would prevail in a violent conflict. Its effects depend on which party is in office. When the incumbent party is already favored by the military, the capacity of the incumbent to instrumentalize the armed forces makes democracy more vulnerable to the threat of backsliding. In turn, when the weaker incumbent can neutralize a hostile partisan posture of the military, civilian control makes democracy more robust against the threat of violent breakdown. Indeed, when the weaker party has moderate control over the military, democracy survives under some conditions under which conflict would have arisen if the partisan postures of the military were unmitigated (areas VD and VV in Figure 2).

In sum, we find that democracy is sustainable when the distributive stakes in holding office are not too low or too high and the chances of prevailing in a violent conflict are not too unbalanced. They may be balanced either when the military has no partisan preferences or when the partisan hostility of the military can be mitigated by civilian control. Low stakes inevitably generate backsliding. Higher stakes combined with strong partisan postures of the military result in either backsliding or violent conflict, depending on who is the initial incumbent. Finally, when the stakes are high it matters if the party disliked by the military can impose control over them.

One novelty of our framework is that it examines robustness of democracy against both the threat of peaceful backsliding and of violent breakdown. On the one hand, there has been a surge of interest in democratic backsliding, in which the potential outcome is that the incumbent either succeeds or fails to monopolize power in peace ([Helmke, Kroeger and](#)

⁵A prominent example is the Turkish government of Recep Erdogan, who moved against the military hostile to the Islamist government and succeeded in controlling them.

Paine, 2022; Luo and Przeworski, 2023; Miller, 2021; Svulik, 2020).⁶ Strikingly, relations of military force are absent from this literature. On the other hand, there is an enormous literature on breakdowns of democracy under the “shadow of force,” in which democracy either survives or is violently overthrown (Benhabib and Przeworski, 2006; Mittal and Weingast, 2013; Przeworski, 2005). Such models posit that control over office can be gained by two lotteries – elections and violent conflicts – and they conclude that both parties opt for competitive elections when their stakes are not too high. This argument, however, is derived based on an implicit assumption that the incumbent cannot peacefully monopolize power through co-opting the opposition—a strategy commonly observed in electoral authoritarianism (Bueno de Mesquita et al., 2005; Gandhi and Przeworski, 2006, 2007; Gandhi and Lust-Okar, 2009; Lust-Okar, 2005; Meng, Paine and Powell, 2023). In our model, democracy requires the stake of office to be neither too high nor too low, so that it can be robust against both violent breakdown and peaceful backsliding.

The second contribution is that we solve a model in which the incumbents choose both their probability of staying in office and the share of resources given to the opposition. In any repeated game framework the probability of winning elections and the share of spoils are equivalent in forming expected values, so that their effects cannot be distinguished (see Rozenas, 2024, for a detailed discussion). Hence, the extant models consider either the probability or the share as subject to decisions of the incumbent, while holding the other one as exogenous. For example, Przeworski (2005) and Benhabib and Przeworski (2006), consider decisions of the incumbent in how to divide the pie, given an exogenously given probability that it would win elections. In turn, Przeworski, Rivero and Xi (2015) allow the incumbent to choose the probability of winning elections, given an exogenously given division of the pie. The innovation here, borrowed from Acemoglu and Robinson (2000, 2001, 2005), is that opportunities for bargaining vary over time. This is sufficient to transform

⁶Similarly to these models, our model treats democratic backsliding as the incumbent’s action to monopolize control of office. Another branch of models (for example Grillo and Prato, 2023; Howell, Shepsle and Wolton, 2023; Nalepa, Vanberg and Chiopris, 2024) conceptualize backsliding as executive aggrandizement. See Grillo et al. (2024) for a more complete survey of the literature of democratic backsliding.

the game from a repeated to a dynamic one and, even if the modification may appear minor, it has profound consequences. Giving up power and sharing spoils are no longer equivalent. Outcomes of elections determine who is the agenda setter: who makes an offer about dividing the spoils when bargaining is required and takes all when it is not. We show that incumbents are willing to buy off the opposition in exchange for preserving this prerogative because incumbents can extract rents whenever in the future the opposition is not threatening. Making offers as the agenda setter is the best possible situation for anyone, which explains that everyone wants to backslide as long as backsliding would not generate a conflict. Risking this position in competitive elections is the second best but sometimes the incumbent cannot buy peace just by sharing spoils and has to give the opposition some chance to come into office. Violent conflict is sometimes inevitable and it is the worst because it is highly risky.

In our model, democracy, defined as peaceful alternation in office, arises endogenously as a feature of an equilibrium. Whether elections are competitive is a result of equilibrium strategies—in each period the incumbent chooses the probability that it could lose office in the forthcoming election—not of one-time-for-all decisions. The assumption, common to models which conceptualize transitions to democracy as institutional concessions, that democracy is an absorbing state is unrealistic and dependent on assuming exogenously given power to commit. [Acemoglu and Robinson \(2000\)](#), for example, consider democracy as the transfer of de jure power to set the agenda of redistribution. In their model, the power to redistribute is offered to the opposition upon “democratization” and, once democratization occurs, it is enforced exogenously and indefinitely. In [Acemoglu and Robinson \(2001\)](#), the elite can reverse democratization but democracy is still automatically sustained as long as no coup is attempted. [Castañeda Dower et al. \(2018, 2020\)](#) reformulate this model by allowing a continuous choice of alternating de jure power according to a probability fixed by the ruler. This choice, however, still assumes ability to commit and is set once-for-all. In all the above models, the introduction of democracy, “democratization,” is endogenous, yet its

sustainability is exogenous. In contrast, democracy in our model must at all times be incentive compatible for the parties alternating in office, both for temporary incumbents and for temporary oppositions.

Our setup is similar to dynamic models of power sharing ([Kenkel and Paine, 2023](#); [Little and Paine, 2024](#); [Paine, 2022, 2024](#); [Powell, 2024](#)).⁷ These models, however, assume that rulers can share power without compromising their agenda setting authority. In contrast, in our model, the only way for the incumbent to share power with the opposition is through granting the opposition a positive probability of entering office and taking over the agenda setting authority.

Another contribution is that the model enables us to distinguish short-term regime dynamics from the final regimes. There are conditions under which democracy fails, deteriorating either through backsliding or a military takeover. When the distributive capacity of the state is moderately low, the initial regime is democratic when the incumbent is militarily weaker. But once the stronger party wins an election, it backslides in peace, so sooner or later the regime becomes authoritarian. In turn, when the distributive stakes in office are high and no party enjoys a decisive military advantage, the stronger incumbent maintains democracy. But now whenever the weaker party eventually wins an election, the stronger party does not accept the result and opts for a violent conflict, so democracy breaks down into autocracy. Hence, the model specifies the conditions under which democracy deteriorates either into authoritarianism or autocracy. While the assumptions are simple and intuitive, this model thus generates very rich results.

Finally, the model highlights the ambivalent effect of civilian control over the military on the sustainability of democracy. When an incumbent already enjoys military support and can instrumentalize the military for its partisan purposes, democracy is more difficult to sustain. But when an incumbent can impose control over hostile military, the conditions under which democracy is sustainable expand to situations in which the distributive stakes in

⁷See [Meng, Paine and Powell \(2023\)](#) for a detailed survey of the literature of power sharing.

elections are large. This distinction between the partisan postures of the military and the capacity of governments to control them makes the results even richer.

2. SETUP

Consider a polity that generates the total income of 1 in each of infinitely many periods $t = 0, 1, 2, \dots$. Two political parties (or “coalitions,” “political families,” etc.), $i \in \{0, 1\}$, compete for the control of government office. At each t , one party I_t holds office and is referred to as the *incumbent*, while the party out of office, $O_t := 1 - I_t$, is the *opposition*.

Income of the polity is distributed between the two parties, the incumbent has $y_{I_t} \in [0, 1]$ and the opposition has $1 - y_{I_t}$. Throughout, we assume $y_0 + y_1 > 1$, which implies that having control of the state allows each party to receive a larger share in the total income of the polity. Formally, for each i , $y_i > 1 - y_{1-i}$, so that party i is richer as the incumbent than as the opposition. By controlling the state, each party gains $\tau := y_0 + y_1 - 1 \in (0, 1)$, which measures the *distributive capacity* of the state.⁸ This distributive capacity determines the economic stake in who holds office.

At each t , an *opportunity of bargaining* may or may not arise, represented by $b_t \in \{0, 1\}$, with a fixed probability $\beta \in (0, 1)$. Period t is referred to as a non-bargaining period if $b_t = 0$. In this case, the two parties just receive their incomes depending on incumbency. In a bargaining period such that $b_t = 1$, the two parties bargain about income distribution under the shadow of conflict. The incumbent first chooses whether to fight, $f_t^I \in \{0, 1\}$, and if it decided not to, $f_t^I = 0$, it proposes a redistribution of income $x_t \in [1 - y_{O_t}, y_{I_t}]$, which gives the incumbent x_t and the opposition $1 - x_t$. The most generous redistribution the incumbent can propose is $1 - y_{O_t}$, which leaves the opposition an income that it receives by controlling the state, while the least generous redistribution is y_{I_t} , for which the incumbent makes no compromise. Given

⁸To understand the accounting, imagine that party 1 has the raw income of $w \in (0, 1)$, party 0 has $1 - w$, and whoever in office can exploit its control of the state to extract a proportion $\tau \in (0, 1)$ of the other's raw income. Then, party 1's income as the incumbent is $y_1 = w + (1 - w)\tau$ and that of party 0 is $y_0 = 1 - w + w\tau$. Note that $y_0 + y_1 - 1 = \tau$.

the incumbent's proposal x_t , the opposition chooses whether to fight, $f_t^O \in \{0, 1\}$. Conflict occurs if at least one party chooses to fight, $f_t := f_t^I + f_t^O - f_t^I f_t^O = 1$.

The game ends after conflict. The winner, say party i , fully consolidates its control of the state, receiving y_i in every period, while the loser receives $1 - y_i$. Moreover, the loser suffers an additional disutility $\kappa > 0$, which is the deadweight loss of conflict.⁹ The incumbent wins conflict with probability $q_{I_t} \in [0, 1]$ and the opposition wins with probability $1 - q_{I_t}$. Similarly with the case of income distribution, we assume throughout that $q_0 + q_1 \geq 1$, which implies that having control of the state enables each party to fight more effectively. Formally, for each i , $q_i \geq 1 - q_{1-i}$, so that party i has a better chance of winning conflict as the incumbent than as the opposition.

Due to the deadweight loss, conflict is an inefficient way of resolving who holds office. *Election* is costless per se. Specifically, at each t , so long as conflict does not occur, election is held to determine who holds office at $t + 1$. This happens either if there is no opportunity of bargaining, $b_t = 0$, or if both parties opt for peace, $f_t = 0$. The incumbent wins the election and continues to hold office at $t + 1$ with probability $p_t \in [0, 1]$, which is referred to as the *electoral rule* at t . The electoral rule is endogenously chosen by the incumbent at the beginning of each period. The incumbent can choose $p_t = 1$, holding a meaningless election that it wins with certainty. An electoral rule is *competitive* if it allows the possibility that the incumbent would lose, that is, $p_t < 1$.

In summary, the sequence of moves at each t is as follows and is illustrated in Figure 3.

1. The incumbent I_t chooses an electoral rule $p_t \in [0, 1]$.
2. An opportunity of bargaining $b_t \in \{0, 1\}$ is drawn according to $\Pr(b_t = 1) = \beta$ and is publicly observed.
3. If $b_t = 1$, the incumbent chooses whether to fight, $f_t^I \in \{0, 1\}$, and if $f_t^I = 0$, it also proposes a redistribution $x_t \in [1 - y_{O_t}, y_{I_t}]$.

⁹It is inconsequential who bears the deadweight loss of conflict.

4. If $f_t^I = 0$, the opposition O_t observes x_t and chooses whether to fight, $f_t^O \in \{0, 1\}$.
5. If $b_t = 0$ or $f_t = f_t^I + f_t^O - f_t^I f_t^O = 0$, election is held and the incumbent of $t + 1$ is drawn according to $\Pr(I_{t+1} = I_t) = p_t$.

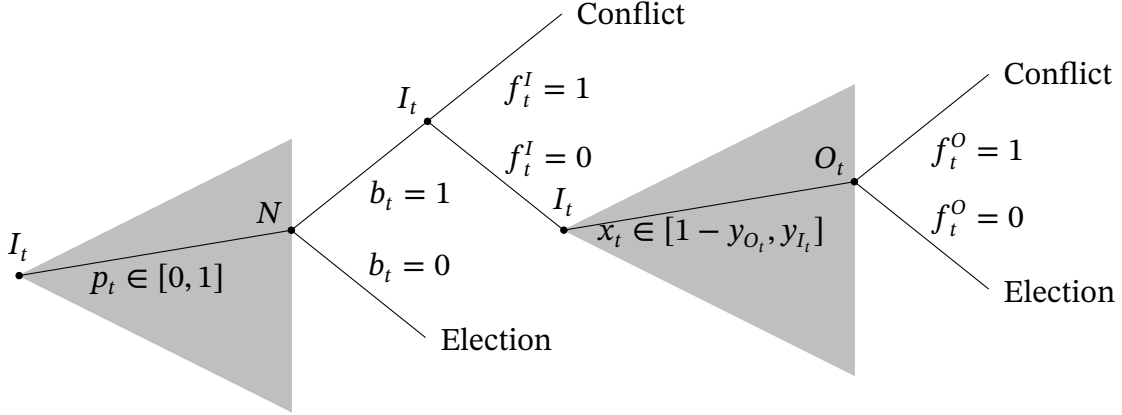


Figure 3: Stage game timing

The two parties care only about their incomes and the disutility of losing conflict. Both are forward-looking and share a common discount factor $\delta \in (0, 1)$. The solution concept is *Markov perfect equilibrium* in pure strategies (equilibrium). When there are multiple equilibria, we focus on the Pareto efficient ones. A strategy profile σ specifies for each party i four strategies: $p_i^\sigma \in [0, 1]$, $f_i^{I,\sigma} : [0, 1] \rightarrow \{0, 1\}$, $x_i^\sigma : [0, 1] \rightarrow [1 - y_{1-i}, y_i]$, and $f_i^{O,\sigma} : [0, 1] \times [1 - y_i, y_{1-i}] \rightarrow \{0, 1\}$. In particular, if i is the incumbent at t , $I_t = i$, then it chooses the electoral rule $p_t = p_i^\sigma$ and when $b_t = 1$, given each possible electoral rule p_t , i chooses whether or not to fight according to $f_t^I = f_i^{I,\sigma}(p_t)$ and proposes a redistribution according to $x_t = x_i^\sigma(p_t)$. If i is the opposition at t , $I_t = 1 - i$, then when $b_t = 1$ and $f_t^I = 0$, given each possible electoral rule p_t and redistribution $1 - i$ proposes, x_t , i chooses whether or not to fight according to $f_t^O = f_i^{O,\sigma}(p_t, x_t)$. For convenience, define $f_i^\sigma : [0, 1] \rightarrow \{0, 1\}$ such that

$$f_i^\sigma(p_t) := f_i^{R,\sigma}(p_t) + f_i^{O,\sigma}(p_t, x_i^\sigma(p_t)) - f_i^{R,\sigma}(p_t)f_i^{O,\sigma}(p_t, x_i^\sigma(p_t))$$

for each $p_t \in [0, 1]$. Then, $f_i^\sigma(p_t)$ represents whether conflict would occur at t under party i 's incumbency given that party i has chosen the electoral rule of p_t and that both parties are following strategy profile σ .

A strategy profile is an equilibrium if each strategy of each party is optimal given all the other strategies. Each equilibrium σ is associated with four payoffs depending on party identity and incumbency. In particular, for each i , let u_i^σ denote party i 's payoff in any period in which it holds office and v_i^σ denote i 's payoff in any period out of office. For convenience, these and all other payoffs are normalized as per-period averages. Because strategies depend on time only via incumbency I_t and whether an opportunity of bargaining arises b_t , we omit the time subscript “ t ” whenever it causes no confusion.

Definition 1. In an equilibrium σ ,

1. party i *supports democracy* if $p_i^\sigma < 1$ and $f_i^\sigma(p_i^\sigma) = 0$;
2. party i *engages in peaceful backsliding* if $p_i^\sigma = 1$ and $f_i^\sigma(1) = 0$;
3. party i *risks violent breakdown* if $p_i^\sigma = 1$ and $f_i^\sigma(1) = 1$;
4. democracy is *sustainable* if both parties support democracy.

In what follows, we impose the following parametric assumptions to generate the richest set of results.

Assumption 1. $\delta > 1/2$, $\beta < 1 - 1/(2\delta)$, and $\kappa < \frac{2(1-\beta)\delta-1}{1+2\frac{\beta}{(1-\beta)(1-\delta)}}$.

3. ELECTION AS A CONFLICT PROCESSING MECHANISM

Intuitively, election offers a cheaper way of resolving who sits in office than conflict. To analyze the value of election and potential obstacles, we must first analyze conflict: whether it would occur without election and how much each party would suffer from it.

3.1. Conflict

First, the incumbent I 's payoff in conflict is

$$q_I y_I + (1 - q_I)(1 - y_O - \kappa) = y_I - (1 - q_I)(\tau + \kappa).$$

With probability $1 - q_I$, the incumbent loses conflict, after which it loses the income of $y_I - (1 - y_O) = y_0 + y_1 - 1 = \tau$ to the opposition and suffers the additional disutility of κ . Likewise, the opposition O 's payoff in conflict is

$$q_I(1 - y_I - \kappa) + (1 - q_I)y_O = 1 - y_I + (1 - q_I)\tau - q_I\kappa = 1 - y_I + (1 - q_I)(\tau + \kappa) - \kappa.$$

With probability $1 - q_I$, the opposition wins conflict, after which it gains the income of $y_O - (1 - y_I) = \tau$ from the incumbent. But this comes at the risk of losing conflict with probability q_I , in which case the opposition must bear the disutility κ .

Second, suppose there is no option of holding election, so that conflict is the only way to alternate office. This is equivalent to the incumbent always choosing a meaningless election with $p = 1$. Then, the incumbent I is always able to fight whenever an opportunity of bargaining arises, $b = 1$. Such an option ensures the incumbent the payoff of

$$\begin{aligned} \bar{c}_I &:= \beta(y_I - (1 - q_I)(\tau + \kappa)) + (1 - \beta)((1 - \delta)y_I + \delta\bar{c}_I) \\ &= y_I - \frac{\beta}{1 - (1 - \beta)\delta}(1 - q_I)(\tau + \kappa), \end{aligned}$$

where $\beta / (1 - (1 - \beta)\delta)$ can be understood as the “probability” of conflict adjusted by the possibility that an opportunity of bargaining may arrive later, so that conflict may occur only

in future periods. Similarly, the opposition O can guarantee the payoff of

$$\begin{aligned}\underline{c}_O &:= \beta (1 - y_I + (1 - q_I)(\tau + \kappa) - \kappa) + (1 - \beta) \left((1 - \delta)(1 - y_I) + \delta \underline{c}_O \right) \\ &= 1 - y_I + \frac{\beta}{1 - (1 - \beta)\delta} ((1 - q_I)(\tau + \kappa) - \kappa)\end{aligned}$$

by fighting whenever an opportunity of bargaining arises.

Lemma 1. *For each i ,*

$$\bar{c}_i > \underline{c}_i$$

and in any equilibrium σ ,

$$u_i^\sigma \geq \bar{c}_i$$

$$v_i^\sigma \geq \underline{c}_i.$$

Note that, by definition, \bar{c}_i is party i 's payoff as the incumbent given that election is impossible and that conflict is sure to occur whenever possible, while \underline{c}_i is the counterpart when i is the opposition. According to Lemma 1, these payoffs are the lower bounds of what party i can get in equilibrium. They can never be worse off than \bar{c}_i as the incumbent and never be worse off than \underline{c}_i as the opposition. Given that conflict is inefficient, the questions are whether a party can strictly improve its payoffs above these bounds by avoiding conflict and whether and how does election help in achieving these payoffs.

3.2. *When elections are useless?*

Consider any equilibrium σ and a period in which the incumbent has already chosen a meaningless election, $p = 1$, and an opportunity of bargaining is available, $b = 1$. Using backward induction first suppose that the incumbent has chosen not to fight, $f^I = 0$, and

proposed the redistribution of x . Then, the opposition fights if and only if

$$(1 - \delta)(1 - x) + \delta v_O^\sigma < 1 - y_I + (1 - q_I)(\tau + \kappa) - \kappa,$$

where the left hand side is the opposition's payoff by accepting the incumbent's proposal and giving up fighting. Because $v_O^\sigma \geq \underline{c}_O$, this payoff is at least

$$(1 - \delta)(1 - x) + \delta \underline{c}_O.$$

Hence, the opposition prefers to opt for peace as long as the incumbent's share in the redistribution it proposes is no larger than

$$\begin{aligned} \bar{x}_I &:= \min \left\{ \frac{1 - y_I + (1 - q_I)(\tau + \kappa) - \kappa - \delta \underline{c}_O}{1 - \delta}, y_I \right\} \\ &= y_I - \frac{1}{1 - (1 - \beta)\delta} \max \{ (1 - q_I)(\tau + \kappa) - \kappa, 0 \}. \end{aligned}$$

If such a redistribution is feasible, $\bar{x}_I \geq 1 - y_O$ or, equivalently,

$$(1) \quad q_i \geq \bar{q}(\tau) := (1 - \beta)\delta \frac{\tau}{\tau + \kappa},$$

the incumbent is always able to ensure the opposition's support for peace. In this case, by not fighting and proposing \bar{x}_I , the incumbent maintains peace and gets the payoff of

$$(1 - \delta)\bar{x}_I + \delta u_I^\sigma.$$

Because $u_I^\sigma \geq \bar{c}_I$, this payoff is at least

$$(1 - \delta)\bar{x}_I + \delta \bar{c}_I.$$

In turn, because

$$(1 - \delta)\bar{x}_I + \delta\bar{c}_I - (y_I - (1 - q_I)(\tau + \kappa)) = \frac{1 - \delta}{1 - (1 - \beta)\delta} \min \{(1 - q_I)(\tau + \kappa), \kappa\} > 0$$

the incumbent prefers not to fight, as

$$(1 - \delta)\bar{x}_I + \delta u_I^\sigma \geq (1 - \delta)\bar{x}_I + \delta\bar{c}_I > y_I - (1 - q_I)(\tau + \kappa).$$

Lemma 2. *If $q_i \geq \bar{q}(\tau)$, then in any equilibrium σ , party i engages in peaceful backsliding,*

$$p_i^\sigma = 1, \quad x_i^\sigma(1) = \bar{x}_i, \quad f_i^\sigma(1) = 0,$$

and

$$u_i^\sigma = y_i - \frac{\beta}{1 - (1 - \beta)\delta} \max \{(1 - q_i)(\tau + \kappa) - \kappa, 0\} > \bar{c}_i$$

$$v_{1-i}^\sigma = 1 - y_i + \frac{\beta}{1 - (1 - \beta)\delta} \max \{(1 - q_i)(\tau + \kappa) - \kappa, 0\}.$$

Lemma 2 characterizes for each i the equilibrium path under party i 's incumbency when $\bar{x}_i \geq 1 - y_{1-i}$. Once i enters office, it only holds meaningless election, $p_i^\sigma = 1$, and in any bargaining period, it opts for peace, $f_i^{I,\sigma}(1) = 0$, and uses the redistribution of $x_i^\sigma(1) = \bar{x}_i$ to ensure the opposition $1 - i$'s support for peace, $f_{1-i}^{O,\sigma}(1, \bar{x}_i) = 0$. As a result, i 's incumbency is absorbing: once i becomes incumbent, there is no further alternation either through conflict or through election. Moreover, by using temporary redistribution to avoid conflict, party i does receive a payoff u_i^σ that is strictly larger than the lower bound \bar{c}_i . In fact, u_i^σ is the largest payoff party i can ever get in any equilibrium as the incumbent. If $\bar{x}_i = 0$, then

$$u_i^\sigma = y_i,$$

which is party i 's largest possible income that it receives after winning conflict. If $\bar{x}_i < y_i$ instead, then

$$u_i^\sigma = y_i - \frac{\beta}{1 - (1 - \beta)\delta} ((1 - q_i)(\tau + \kappa) - \kappa) = 1 - \underline{c}_{1-i}.$$

Because in any equilibrium, party $1 - i$'s payoff as the opposition is at least \underline{c}_{1-i} and because the total surplus is at most 1, party i as the incumbent cannot get any more than $1 - \underline{c}_{1-i}$ in any equilibrium.

Therefore, the implication of Lemma 2 is that when a party is sufficiently powerful while holding office, so that condition (1) holds, election is *useless* for that party: it can rely solely on temporarily redistributing incomes to maintain peace and attain its largest possible payoff in any possible equilibrium. As a result, once this party enters office, democracy is doomed to fail due to peaceful backsliding.

Condition (1) can hold more easily with a smaller τ , which means the state has a lower distributive capacity. A smaller τ implies a lower stake in who holds office, which renders the opposition a weaker incentive to fight and, therefore, easier to buy off using temporary redistributions. Note that when $\beta = 1$, the opposition is always able pose a credible threat of conflict and thus compels the incumbent to redistribute in all periods and the game degenerates into a repeated bargaining game between the two parties with the incumbent being the agenda setter. In this case, an incumbent fully commits to future redistributions and thus is able to pacify the opposition by proposing $x = \min\{1 - \underline{c}_O, y_I\}$ in each period, holding the office indefinitely in peace. Accordingly, when $\beta = 1$, elections are useless and are equivalent to redistribution because they both form the expected values of the opposition in all periods. Redistribution divides the pie directly in each period, while elections allocate the agenda setting power of dividing the pie overtime. When bargaining can perfectly resolve conflict, elections are not needed (Fearon, 1995; Rozenas, 2024). The equivalence between elections and redistribution fails, however, when $\beta < 1$, which we discuss in the next section.

3.3. When elections are useful, but costly?

Lemma 3. *If $q_i < \bar{q}(\tau)$, then in any equilibrium σ ,*

$$(2) \quad (1 - \delta)y_{1-i} + \delta v_{1-i}^\sigma < 1 - y_i + (1 - q_i)(\tau + \kappa) - \kappa < (1 - \delta)y_{1-i} + \delta u_{1-i}^\sigma.$$

Consider any bargaining period in which the incumbent I has set an electoral rule p and suppose the incumbent is not that powerful, so that $q_I < \bar{q}(\tau)$. Lemma 3 has two important implications for this case. On the one hand, due to the left inequality in (2), if the incumbent has chosen a meaningless election $p = 1$, the opposition cannot be bought off, so that conflict is sure to occur. On the other hand, due to the right inequality in (2), the incumbent can ensure the feasibility of buying the opposition's support for peace by choosing an election that it loses with certainty, $p = 0$. These two inequalities together imply that buying off the opposition is feasible if and only if the incumbent has chosen an electoral rule that entails a sufficiently low incumbency advantage, for which

$$(1 - \delta)y_O + \delta(pv_O^\sigma + (1 - p)u_O^\sigma) \geq 1 - y_I + (1 - q_I)(\tau + \kappa) - \kappa$$

or, equivalently,

$$p \leq \bar{p}_I^\sigma := \frac{(1 - \delta)y_O + \delta u_O^\sigma - (1 - y_O + (1 - q_I)(\tau + \kappa) - \kappa)}{\delta(u_O^\sigma - v_O^\sigma)}.$$

Under such an electoral rule, the incumbent can propose some $x \in [1 - y_O, y_I]$ such that

$$(3) \quad (1 - \delta)(1 - x) + \delta(pv_O^\sigma + (1 - p)u_O^\sigma) \geq 1 - y_I + (1 - q_I)(\tau + \kappa) - \kappa$$

to buy off the opposition, where the left hand side is the opposition's payoff when accepting the incumbent's proposal and giving up fighting. Therefore, when the incumbent is not powerful enough to rely solely on temporary redistribution to maintain peace, election is a useful tool

to avoid conflict.

Note that election and redistribution are perfect substitutes in terms of ensuring the opposition's support for peace. Clearly in (3), the opposition's payoff by giving up fighting is linear and strictly decreasing in both p and x . Hence, as long as $x > 1 - y_o$, the incumbent can always trade for a larger incumbency advantage, larger p , by proposing a more generous redistribution of income, smaller x , and vice versa, while keeping the opposition's support for peace. However, from the incumbent's perspective, election is always more costly than redistribution.

Lemma 4. *In any equilibrium σ and for each i ,*

$$u_i^\sigma > v_i^\sigma.$$

According to Lemma 4, each party is strictly better off holding rather than losing office. This means that any competitive electoral rule comes at an endogenous cost as it imposes on the incumbent a nontrivial chance of yielding office to the opposing party. Due to this cost, from the incumbent's perspective election is a more costly and thus a less preferable tool than redistribution in processing conflict. As a result, the incumbent relies on redistribution as much as it can, to make election as less competitive as possible.

Formally, consider any equilibrium σ , in which party i opts for a competitive electoral rule $p_i^\sigma < 1$ under its incumbency. First, under p_i^σ , conflict must be avoided; otherwise, given that $u_i^\sigma > v_i^\sigma$, i gets a payoff

$$\begin{aligned} u_i^\sigma &= \beta (y_i - (1 - q_i)(\tau + \kappa)) + (1 - \beta) ((1 - \delta)y_i + \delta (p_i^\sigma u_i^\sigma + (1 - p_i^\sigma)v_i^\sigma)) \\ &< \beta (y_i - (1 - q_i)(\tau + \kappa)) + (1 - \beta) ((1 - \delta)y_i + \delta u_i^\sigma) \end{aligned}$$

that is strictly worse than deviating to $p = 1$. Hence, $p_i^\sigma \leq \bar{p}_i^\sigma$ and because peace is preserved

under i 's incumbency,

$$\begin{aligned} u_i^\sigma + v_{1-i}^\sigma &= 1 - \delta + \delta (p_i^\sigma (u_i^\sigma + v_{1-i}^\sigma) + (1 - p_i^\sigma)(u_{1-i}^\sigma + v_i^\sigma)) \\ &= \frac{1 - \delta}{1 - \delta p_i^\sigma} + \frac{\delta(1 - p_i^\sigma)}{1 - \delta p_i^\sigma} (u_{1-i}^\sigma + v_i^\sigma) \geq u_{1-i}^\sigma + v_i^\sigma, \end{aligned}$$

so that the total surplus under i 's incumbency is at least as large as that under $1 - i$'s. Second, suppose $p_i^\sigma < \bar{p}_i^\sigma$, which means that party i holds sufficiently competitive elections, so that it needs only propose some $x_i^\sigma(p_i^\sigma) > 1 - y_{1-i}$ to gain party $1 - i$'s support for peace. But consider a deviation that gives i a slightly larger incumbency advantage, $p = p_i^\sigma + \epsilon$ with $\epsilon > 0$, and offers a slightly more generous redistribution

$$x = x_i^\sigma(p_i^\sigma) - \frac{\delta}{1 - \delta} \epsilon (u_{1-i}^\sigma - v_{1-i}^\sigma)$$

to compensate $1 - i$'s loss. This deviation is feasible as long as ϵ is sufficiently small and it does not change $1 - i$'s payoff by giving up fighting. Nevertheless, because $u_i^\sigma > v_i^\sigma$ and $u_i^\sigma + v_{1-i}^\sigma \geq u_{1-i}^\sigma + v_i^\sigma$, the deviation strictly improves i 's payoff to

$$\begin{aligned} &u_i^\sigma + \beta \delta \epsilon (u_i^\sigma - v_i^\sigma - (u_{1-i}^\sigma - v_{1-i}^\sigma)) + (1 - \beta) \delta \epsilon (u_i^\sigma - v_i^\sigma) \\ &= u_i^\sigma + \beta \delta \epsilon (u_i^\sigma + v_{1-i}^\sigma - (u_{1-i}^\sigma + v_i^\sigma)) + (1 - \beta) \delta \epsilon (u_i^\sigma - v_i^\sigma) > u_i^\sigma. \end{aligned}$$

Therefore, $p_i^\sigma = \bar{p}_i^\sigma$ must hold. The competitive electoral rule that a party may ever choose would render that party the largest possible incumbency advantage it can get while keeping the opposing party's support for peace. Under such an electoral rule, the party must propose the most generous redistribution to have the opposing party give up fighting.

In our model, elections as a way of sharing power are not equivalent to redistribution and they are more costly, departing from [Fearon \(1995\)](#) and [Rozenas \(2024\)](#). Here, the opposition poses a threat, $b = 1$, so that bargaining is required for the incumbent, only with probability $\beta < 1$. Hence, it is ideal for the incumbent to make any concession only when $b = 1$.

Competitive elections, on the contrary, must be held regularly, so that the incumbent risks losing the office even when the opposition does not pose a threat, $b = 0$. Therefore, redistribution is cheaper because the incumbent only needs to concede transfers when facing a threat. Nevertheless, this flexibility also makes the incumbent unable to commit to redistribution in future non-bargaining periods, limiting its ability to buy off the opposition. Accordingly, an incumbent only holds competitive elections when it is unable to maintain peace solely through redistribution.

Lemma 5. *In any equilibrium σ and for each i , either $p_i^\sigma = 1$ or $p_i^\sigma = \bar{p}_i \in (0, 1)$ and if $p_i^\sigma = \bar{p}_i$, then*

$$f_i^{I,\sigma}(p_i^\sigma) = 0, \quad x_i^\sigma(p_i^\sigma) = 1 - y_{1-i}, \quad f_i^\sigma(p_i^\sigma) = 0.$$

According to Lemma 5, once assuming office each party would either hold a meaningless election or opt for a competitive electoral rule that entails the largest possible incumbency advantage it can obtain under peace. Moreover, Lemma 5 characterizes for each i the equilibrium path under party i 's incumbency given that it chooses in equilibrium a competitive electoral rule. In any bargaining period under i 's incumbency, i opts for peace, $f_i^{I,\sigma}(p_i^\sigma) = 0$, and proposes the redistribution of $x_i^\sigma(p_i^\sigma) = 1 - y_{1-i}$, while the opposing party $1 - i$ accepts i 's proposal and endorses peace, $f_{1-i}^{O,\sigma}(p_i^\sigma, 1 - y_{1-i}) = 0$. Note that here party $1 - i$ is giving up fighting not only due to i 's generous redistribution, but also because rather than fighting, $1 - i$ can wait to win an election and become the incumbent.

4. SUSTAINABILITY AND FAILURES OF DEMOCRACY

Democracy is sustained if both political parties hold competitive elections under their respective incumbencies and never resort to conflict, so that peaceful alternation of office continues and never ends.

Conceptually, democracy may fail in two ways. First, it may fail due to peaceful

backsliding, which happens if a party monopolizes office by holding meaningless elections, while the opposing party acquiesces. It may also fail due to violent breakdown, which happens if a party tries to seize office by force. Notably, the unilateral support of a single party cannot help sustain democracy. The single party that holds competitive elections would eventually lose office, after which the other party would go onto either the route of peaceful backsliding or that of violent breakdown.

4.1. Necessary conditions for democracy

According to Lemma 2, a necessary condition for democracy under party i 's incumbency is

$$(4) \quad q_i < \bar{q}(\tau).$$

Only when this condition holds, democracy is *needed* for party i to rule peacefully. Suppose condition (4) holds. Then, party i has two options. First, it can try to monopolize office by holding meaningless elections, anticipating that party $1 - i$ would try to seize office by force as soon as such an opportunity arises. Second, according to Lemma 3, party i can hold competitive elections to avoid conflict, anticipating that it would yield office to party $1 - i$ as soon as losing election. Democracy is *incentive compatible* for party i if and only if it prefers the second option, willing to bear the expense of competitive elections for the purpose of preserving peace under its incumbency.

Consider an equilibrium σ in which party i supports democracy. In such an equilibrium, the first option yields i the payoff of

$$\beta (y_i - (1 - q_i)(\tau + \kappa)) + (1 - \beta) ((1 - \delta)y_i + \delta u_i^\sigma),$$

while the second option yields u_i^σ . Because democracy must be incentive compatible for i ,

$$u_i^\sigma > \beta (y_i - (1 - q_i)(\tau + \kappa)) + (1 - \beta) ((1 - \delta)y_i + \delta u_i^\sigma),$$

which simplifies to $u_i^\sigma > \bar{c}_i$. Because the total surplus is no more than 1,

$$1 - v_{1-i}^\sigma \geq u_i^\sigma > \bar{c}_i.$$

To calculate v_{1-i}^σ , note that, due to Lemma 5, party i must choose the electoral rule \bar{p}_i^σ that makes party $1 - i$ indifferent between whether or not to fight given the most generous redistribution party i can make, $x_i^\sigma(\bar{p}_i^\sigma) = y_{1-i}$. Hence, when $b = 1$, $1 - i$ gets the payoff of

$$(1 - \delta)y_{1-i} + \delta \left(\bar{p}_i^\sigma v_{1-i}^\sigma + (1 - \bar{p}_i^\sigma)u_{1-i}^\sigma \right) = 1 - y_i + (1 - q_i)(\tau + \kappa) - \kappa.$$

Correspondingly, when $b = 0$, i does not redistribute incomes, so that party $1 - i$ gets

$$\begin{aligned} (1 - \delta)(1 - y_i) + \delta \left(\bar{p}_i^\sigma v_{1-i}^\sigma + (1 - \bar{p}_i^\sigma)u_{1-i}^\sigma \right) &= (1 - \delta)(y_{1-i} - \tau) + \delta \left(\bar{p}_i^\sigma v_{1-i}^\sigma + (1 - \bar{p}_i^\sigma)u_{1-i}^\sigma \right) \\ &= 1 - y_i + (1 - q_i)(\tau + \kappa) - \kappa - (1 - \delta)\tau. \end{aligned}$$

As a result,

$$v_{1-i}^\sigma = 1 - y_i + (1 - q_i)(\tau + \kappa) - \kappa - (1 - \beta)(1 - \delta)\tau.$$

Therefore, incentive compatibility of democracy for party i requires

$$1 - v_{1-i}^\sigma = y_i - (1 - q_i)(\tau + \kappa) + \kappa + (1 - \beta)(1 - \delta)\tau > \bar{c}_i$$

or, equivalently,

$$(5) \quad q_i > \underline{q}(\tau) := \left(\frac{\beta}{(1 - \beta)(1 - \delta)} + (1 - \beta)\delta \right) \frac{\tau}{\tau + \kappa} - \frac{\beta}{(1 - \beta)(1 - \delta)}.$$

Lemma 6. *If $q_i \leq \underline{q}(\tau)$, then in any equilibrium σ , party i risks violent breakdown,*

$$p_i^\sigma = 1, x_i^\sigma(1) = y_i, f_i^\sigma(1) = 1,$$

and

$$u_i^\sigma = \bar{c}_i$$

$$v_{1-i}^\sigma = \underline{c}_{1-i}.$$

By Lemma 2 and 6, both conditions (4) and (5) are necessary for the existence of any equilibrium that support democracy under party i 's incumbency. The former requires that i is not too powerful while holding office, while the latter requires that i is not too powerless. If party i is too powerful, so that $q_i \geq \bar{q}(\tau)$, then it is able to consolidate its control of office by canceling any meaningful election while still maintaining peace, thus securing the maximum of its payoff. The reason why party i cannot be too powerless is subtler. According to Lemma 6, when $q_i \leq \underline{q}(\tau)$, the party i would hold meaningless elections but the opposing party would use force to seize its office. Note that party i 's military power while holding office, q_i , has two opposing effects. On the one hand, there is a direct effect: with a larger q_i , party i has a better chance of winning conflict and, therefore, is more tempted to cancel any competitive election and bet on defeating the opposing party in conflict. On the other hand, indirectly, a larger q_i also makes party $1 - i$ less willing to fight and, thus, allows party i to avoid conflict by holding an election which it can win with a larger probability. In other words, being more powerful makes the election that helps party i maintain peace less costly and, therefore, more attractive. But because elections are held regularly, while conflict occurs only when an opportunity arises, the indirect effect always dominates the direct effect, so that party i is always more inclined to opt for democracy rather than conflict when it is more powerful while holding office.

4.2. Sustainable and temporary democracy

According to Lemma 2, democracy is doomed to fail under a party's incumbency due to peaceful backsliding when the party is too powerful in office. The party would consolidate its control of office with the opposing party's consent. According to Lemma 6, when a party is too powerless in office, democracy is doomed to fail under this party's incumbency through violent breakdown. The party would cancel any competitive election and gamble its luck in an inevitable conflict. Democracy is sustainable only when it is robust against both threats no matter which party holds office.

Proposition 1 (Sustainable democracy). *There exists an equilibrium that supports sustainable democracy if and only if $\underline{q}(\tau) < q_i < \bar{q}(\tau)$ hold for each i ; and in such an equilibrium, each i chooses the electoral rule of*

$$p^*(q_i, q_{1-i}, \tau) := \frac{q_i - \delta \left((\beta + (1 - \beta)\delta) \frac{\tau}{\tau + \kappa} - q_{1-i} \right)}{q_i - \delta \left((\beta + (1 - \beta)\delta) \frac{\tau}{\tau + \kappa} - q_{1-i} \right) + (1 - \delta) \left((1 - \beta)\delta \frac{\tau}{\tau + \kappa} - q_i \right)} \in (0, 1)$$

and

$$\begin{aligned} u_i^\sigma &= y_i + q_i(\tau + \kappa) - (\beta + (1 - \beta)\delta)\tau \\ v_{1-i}^\sigma &= 1 - y_i - q_i(\tau + \kappa) + (\beta + (1 - \beta)\delta)\tau. \end{aligned}$$

According to Proposition 1, democracy is sustainable as long as both parties have moderate levels of military power in office. The two conditions (4) and (5) are both necessary and sufficient for the existence of an equilibrium that sustains democracy. In this equilibrium, party i holds competitive elections that entail the incumbency advantage of $p^*(q_i, q_{1-i}, \tau)$, which inversely measures the degree of electoral competition under i 's incumbency. First, $p^*(q_i, q_{1-i}, \tau)$ is strictly decreasing in τ . This implies that when the stake of office is greater, both parties would hold more competitive elections under their respective

incumbencies. With a larger stake, each party is more tempted to seize control of office by force. In turn, to discourage each other from fighting, both parties must make elections more competitive, allowing the opposing party a better chance of peaceful alternation. Second, $p^*(q_i, q_{1-i}, \tau)$ is strictly increasing in both q_i and q_{1-i} . Hence, a party would hold less competitive elections and enjoy a larger incumbency advantage when it is more powerful in office and, more interestingly, when the opposing party is more powerful while holding office. Intuitively, when party i is more powerful in office, party $1 - i$ has a weaker incentive to fight for office, so that i can ensure $1 - i$'s support for peace by holding less competitive elections. In turn, when party $1 - i$ is more powerful in office, the same effect implies that party $1 - i$ can hold less competitive elections and, therefore, enjoy a better payoff under its own incumbency. But when party i holds office, because party $1 - i$ expects a better payoff after peaceful alternation, its incentive to fight for office is further weakened, which allows party i to further improve its incumbency advantage without disturbing peace.

Proposition 2. *If $q_{1-i} \geq \bar{q}(\tau)$, then there exists an equilibrium in which party i supports democracy if and only if $\underline{q}(\tau) < q_i < \bar{q}(\tau)$; and in such an equilibrium, i chooses the electoral rule of*

$$\hat{p}(q_i, q_{1-i}, \tau) := \frac{q_i - \frac{\beta\delta}{1-(1-\beta)\delta} \max\left\{\frac{\tau}{\tau+\kappa} - q_{1-i}, 0\right\}}{q_i - \frac{\beta\delta}{1-(1-\beta)\delta} \max\left\{\frac{\tau}{\tau+\kappa} - q_{1-i}, 0\right\} + (1-\delta)\left((1-\beta)\delta\frac{\tau}{\tau+\kappa} - q_i\right)} \in (0, 1)$$

and

$$\begin{aligned} u_i^\sigma &= y_i + q_i(\tau + \kappa) - (\beta + (1 - \beta)\delta)\tau \\ v_{1-i}^\sigma &= 1 - y_i - q_i(\tau + \kappa) + (\beta + (1 - \beta)\delta)\tau. \end{aligned}$$

According to Proposition 2, when party i has a moderate level of military power in office, so that democracy is both required to resolve conflict and incentive compatible, it unilaterally supports democracy even knowing that party $1 - i$ would be powerful enough to monopolize

office via peaceful backsliding after winning election. In this case, democracy temporarily exists under party i 's incumbency and is doomed to fail due to peaceful backsliding. Surprisingly, party i in this case receives a payoff as large as it would obtain under sustainable democracy. Why is party i willing to unilaterally support democracy knowing that such a democracy would eventually fail and why wouldn't this affect party i 's payoff? The reason is that when party i is still in office, the ability to peacefully backslide renders party $1 - i$ a larger payoff to expect after peacefully taking over office, making it less eager to seize office by force. This in turn allows party i to increase its incumbency advantage while keeping $1 - i$'s support for peace. In other words, what ever party $1 - i$ gains in the future through peaceful backsliding can be absorbed by party i today through improving its incumbency advantage and thus delaying party $1 - i$'s taking over.

Anticipating party $1 - i$'s peaceful backsliding, party i holds competitive elections that it wins with probability $\hat{p}(q_i, q_{1-i}, \tau)$. As illustrated in Figure 4, these elections are less competitive than the elections party i would hold under sustainable democracy. But similarly with the case of sustainable democracy, $\hat{p}(q_i, q_{1-i}, \tau)$ is strictly decreasing in τ , strictly increasing in q_i , and increasing in q_{1-i} .

Proposition 3. *If $q_{1-i} \leq \underline{q}(\tau)$, then there exists an equilibrium in which party i supports democracy if and only if $\tilde{q}(q_{1-i}, \tau) < q_i < \bar{q}(\tau)$, where $\tilde{q}(q_{1-i}, \tau) \in (\underline{q}(\tau), \bar{q}(\tau))$ and is strictly decreasing in q_{1-i} ; and in such an equilibrium, i chooses the electoral rule of*

$$\tilde{p}(q_i, q_{1-i}, \tau) := \frac{q_i - \frac{\beta\delta}{1-(1-\beta)\delta}(1 - q_{1-i})}{q_i - \frac{\beta\delta}{1-(1-\beta)\delta}(1 - q_{1-i}) + (1 - \delta)\left((1 - \beta)\delta\frac{\tau}{\tau + \kappa} - q_i\right)} \in (0, 1)$$

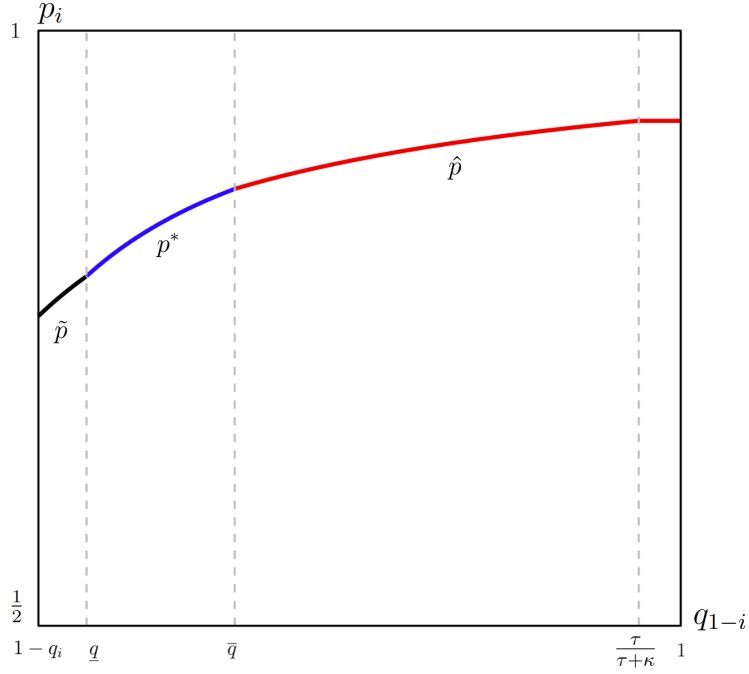
and

$$u_i^\sigma = y_i + q_i(\tau + \kappa) - (\beta + (1 - \beta)\delta)\tau - \frac{\delta(1 - \tilde{p}(q_i, q_{1-i}, \tau))}{1 - \delta\tilde{p}(q_i, q_{1-i}, \tau)} \frac{\beta}{1 - (1 - \beta)\delta} \kappa$$

$$v_{1-i}^\sigma = 1 - y_i - q_i(\tau + \kappa) + (\beta + (1 - \beta)\delta)\tau.$$

According to Proposition 3, when party i has a moderately high level of military power in office, it unilaterally supports democracy even knowing that after taking over office, party $1 - i$ would not be sufficiently powerful to maintain peace, so that democracy would fail due to violent breakdown. In this case, democracy temporarily exists under party i 's incumbency and is doomed to fail due to violent breakdown. Here, anticipating the violent breakdown after party $1 - i$'s taking over, party i gets a payoff that is strictly worse than that under sustainable democracy. There are two driving forces behind i 's loss. The first is the deadweight loss of conflict. Because party i supports democracy, conflict is avoided under its incumbency. But i 's support for democracy implies that party $1 - i$ would eventually win election and take over office, after which conflict would eventually break out. Second, because conflict would unravel under party $1 - i$'s incumbency, when party i is still in office, party $1 - i$ expects a lower payoff to peacefully wait for its turn to rule and thus is more eager to seize office by force. Consequently, party i must further compromise its incumbency advantage to maintain peace under its own incumbency, making democracy even more expensive for i . Due to party i 's loss, it must be even more powerful in office to be willing to support democracy. This is why $\tilde{q}(q_{1-i}, \tau) > \underline{q}(\tau)$, so that the incentive compatibility condition for i to support democracy is more demanding in this case.

Anticipating a violent breakdown after party $1 - i$ takes over, party i holds competitive elections that it wins with probability $\tilde{p}(q_i, q_{1-i}, \tau)$. As illustrated in Figure 4, these elections are more competitive than the elections party i would hold under sustainable democracy, so that party i has a greater risk of losing elections than under sustainable democracy. Similarly with the case of sustainable democracy, $\tilde{p}(q_i, q_{1-i}, \tau)$ is strictly decreasing in τ and strictly increasing in both q_i and q_{1-i} . A surprising finding here is that because $\tilde{p}(q_i, q_{1-i}, \tau)$ is strictly increasing in q_{1-i} , party i 's equilibrium payoff in office, u_i^σ , is strictly increasing in q_{1-i} , which represents the opposing party's military power while holding office. Why would a party benefit from the opposing party's military power? The reason is that with a larger q_{1-i} , party $1 - i$ is more likely to win the conflict that is sure to occur under its incumbency. As a result,



$$\delta = 0.95, \beta = 0.15, \kappa = 0.02, \tau = 1, q_i = 0.3$$

Figure 4: Equilibrium incumbency advantage

Notes: The red curve represents party i 's incumbency advantage $\hat{p}(q_i, q_{1-i}, \tau)$ when $q_{1-i} \geq \bar{q}(\tau)$, so that party $1 - i$ is able to peacefully backslide after taking over office. The blue curve represents party i 's incumbency advantage $p^*(q_i, q_{1-i}, \tau)$ when $\underline{q}(\tau) < q_{1-i} < \bar{q}(\tau)$, so that party $1 - i$ supports democracy after taking over office. The black curve represents party i 's incumbency advantage $\tilde{p}(q_i, q_{1-i}, \tau)$ when $q \leq \underline{q}(\tau)$, so that violent breakdown would happen after party $1 - i$ takes over office.

party 1 – i would be more patient to wait for its turn to rule when party i still holds office, allowing party i to increase its likelihood of winning elections. In turn, because party i is more likely to win elections, party 1 – i 's taking over is postponed further into the future along with the conflict inevitable under its incumbency.

4.3. Dynamics of political competition

Lemmas 2 and 6 along with Propositions 1 to 3 provide a full characterization of the equilibrium dynamics of political competition between the two parties. The results are summarized in Table 1. In the table, each cell has two letters specifying what would happen under party 0 and party 1's incumbencies respectively, with “D” representing democracy, “B” representing peaceful backsliding, and “V” representing violent breakdown.

Table 1: Dynamics of political competition

party 0 \ party 1	$q_1 \geq \bar{q}(\tau)$	$\tilde{q}(q_0, \tau) < q_1 < \bar{q}(\tau)$	$\underline{q}(\tau) < q_1 \leq \tilde{q}(q_0, \tau)$	$q_1 \leq \underline{q}(\tau)$
$q_0 \geq \bar{q}(\tau)$	BB	BD	BD	BV
$\tilde{q}(q_1, \tau) < q_0 < \bar{q}(\tau)$	DB	DD	DD	DV
$\underline{q}(\tau) < q_0 \leq \tilde{q}(q_1, \tau)$	DB	DD	DD	VV
$q_0 \leq \underline{q}(\tau)$	VB	VD	VV	VV

When a party is sufficiently powerful in office, having the military power above $\bar{q}(\tau)$, peaceful backsliding would happen under its incumbency. In this case, as long as the other party is not too powerless in office, having the military power above $\underline{q}(\tau)$, the polity would evolve into an electoral authoritarianism in the long run. In particular, when the other party has moderate levels of power between $\underline{q}(\tau)$ and $\bar{q}(\tau)$, democracy may temporarily exist but it would peacefully backslide into electoral authoritarianism sooner or later. If the other party is sufficiently powerless in office, having the military power below $\underline{q}(\tau)$, then the regime the polity would evolve into in the long run depends on who enters office first. If the stronger party enters office first, it would peacefully backslide the regime into an electoral

authoritarianism; while if the weaker party enters office first, violent breakdown would happen and afterwards the polity would become an autocracy.

When a party is sufficiently powerless in office, having the military power below $\underline{q}(\tau)$, violent breakdown would happen under its incumbency. In this case, as long as the other party is not too powerful in office, having the military power below $\bar{q}(\tau)$, conflict would eventually occur, creating an autocracy. In particular, when the other party has moderately high levels of power between $\tilde{q}(q_{1-i}, q_i, \tau)$ and $\bar{q}(\tau)$, democracy may temporarily exist but it would violently breakdown into an autocracy in the long run.

At last, when both parties have moderate levels of military power between $\underline{q}(\tau)$ and $\bar{q}(\tau)$, democracy is sustained in the long run. In this case, the two parties compete for office peacefully via competitive elections and alternate in ruling the polity.

5. ECONOMIC STAKE AND MILITARY POWER

As summarized in Table 1, three factors are crucial in determining the equilibrium dynamics of political competition: the economic stake of office, τ , and each party's military power while holding office, q_0 and q_1 . However, q_0 and q_1 are by no means independent to each other. On the one hand, when the military is partisan, q_0 and q_1 would be negatively correlated. If party 1 becomes more popular among the military than party 0, q_1 would become larger and q_0 would become smaller. On the other hand, if civilian government controls the military, q_0 and q_1 would be positively correlated. When civilian control of military becomes stronger, the military is more inclined to support whoever holding office, so that q_0 and q_1 would both become larger. To isolate the effects of partisan and civilian control of military, we use two parameters other than q_0 and q_1 to characterize the allocation of military power in the polity. First, assume without loss of generality that party 1 is militarily at least as strong as party 0

and let

$$(6) \quad \gamma := \frac{1 - q_0 - (1 - q_1)}{1 - q_0 + 1 - q_1} \in [0, 1]$$

denote the degree of *partisan imbalance* among the military. Note that $1 - q_{1-i}$, as party i 's probability of winning conflict out of office, measures party i 's violent potential relying solely on its partisan support among the military. Hence, in (6), the numerator represents how much more partisan support party 1 enjoys than party 0, while the denominator represents the total partisan support the two parties have among the military. Second, let

$$(7) \quad \pi := q_1 - (1 - q_0) = q_0 - (1 - q_1) \in [0, 1]$$

denote the degree of *civilian control* of military. Note that $q_i - (1 - q_{1-i})$ is the additional probability of winning conflict party i gains by controlling the state, in addition to its partisan support among the military. Both (q_0, q_1) and (γ, π) can fully characterize the allocation of military power within the polity. In fact,

$$\begin{aligned} q_0 &= \frac{1 - \gamma}{2}(1 - \pi) + \pi \\ q_1 &= \frac{1 + \gamma}{2}(1 - \pi) + \pi. \end{aligned}$$

But in contrast to the correlation between q_0 and q_1 , γ and π are defined to be independent. In what follows, we first analyze the case when $\pi = 0$, so that the military is purely partisan, and then examine the effect of civilian control of office. Because party 1 is militarily at least as strong as party 0, we refer to party 1 as the “strong party” and party 0 as the “weak party.”

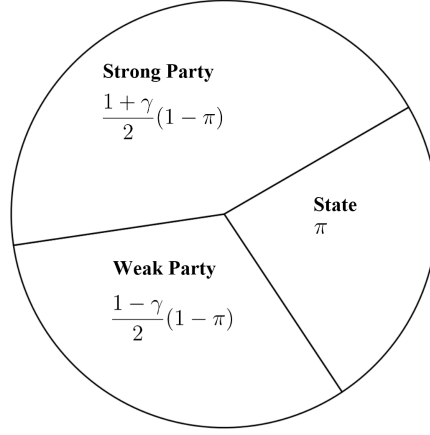


Figure 5: Allocation of military power

5.1. *Purely partisan military*

For now, assume that $\pi = 0$, so that each party's probability of winning conflict is independent to who holds office. In this case, the distribution of violent force between the two parties is fully characterized by γ . The strong party has the military power of $(1 + \gamma)/2$ in office and the weak party has $(1 - \gamma)/2$.

The strong party would find democracy unnecessary in resolving conflict and thus would not support it if $(1 + \gamma)/2 \geq \bar{q}(\tau)$, which is equivalent to

$$(8) \quad \gamma \geq 2\bar{q}(\tau) - 1.$$

Because democracy requires a party to be not too powerful, as long as the strong party needs democracy to maintain peace, so does the weak party. Democracy would fail to be incentive compatible for the weak party if $(1 - \gamma)/2 \leq \underline{q}(\tau)$ or, equivalently,

$$(9) \quad \gamma \geq 1 - 2\underline{q}(\tau).$$

Because incentive compatibility of democracy requires a party to be sufficiently powerful, if the weak party finds democracy incentive compatible, so must the weak party. Now suppose

$1 - 2\underline{q}(\tau) \leq \gamma < 2\overline{q}(\tau) - 1$, so that the strong party is not powerful enough to peacefully backslide and the weak party is too powerless to be willing to hold competitive elections and thus violent breakdown would happen under its incumbency. In this case, the strong party may still find democracy incentive compatible to unilaterally support it, which requires that

$$\frac{1 + \gamma}{2} > \tilde{q}\left(\frac{1 - \gamma}{2}, \tau\right)$$

or, equivalently,

$$(10) \quad \gamma > 2\tilde{q}\left(\frac{1 - \gamma}{2}, \tau\right) - 1.$$

The following lemma is helpful to simplify conditions (8), (9), and (10) and thus to characterize the equilibrium dynamics of political competition summarized in Table 1 in terms of the economic stake of office τ and the partisan imbalance of military γ .

Lemma 7.

1. $2\overline{q}(\tau) - 1 \leq 0$ if and only if $\tau \leq \underline{\tau}$, where $\underline{\tau} \in (0, 1)$.
2. $1 - 2\underline{q}(\tau) \leq 0$ if and only if $\tau \geq \overline{\tau}$, where $\overline{\tau} \in (\underline{\tau}, 1)$.
3. $2\overline{q}(\tau) - 1 \leq 1 - 2\underline{q}(\tau)$ if and only if $\tau \leq \tau^*$, where $\tau^* \in (\underline{\tau}, \overline{\tau})$.
4. $2\tilde{q}\left(\underline{q}(\tau), \tau\right) - 1 \leq 1 - 2\underline{q}(\tau)$ if and only if $\tau \leq \tilde{\tau}$, where $\tilde{\tau} \in (\tau^*, \overline{\tau})$.
5. For each $\tau > \tilde{\tau}$, $\gamma > 2\tilde{q}((1 - \gamma)/2, \tau) - 1$ holds if and only if $\gamma > \tilde{\gamma}(\tau)$, where

$$\tilde{\gamma}(\tau) \in \left(1 - 2\underline{q}(\tau), 2\overline{q}(\tau) - 1\right)$$

and is strictly increasing in τ .

According to Lemma 7, condition (8) holds trivially when the economic stake of office is extremely low, so that $\tau \leq \underline{\tau}$. In this case, democracy cannot be sustained because peaceful

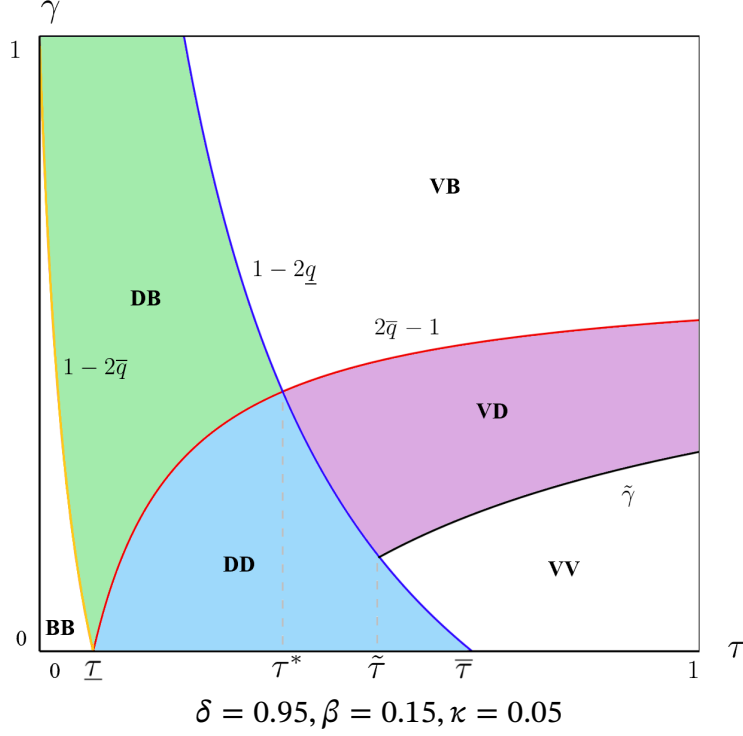


Figure 6: Dynamics of political competition

backsliding would always happen under the strong party's incumbency. What happens under the weak party's incumbency is determined by the partisan imbalance of military γ . It is worth noticing that when γ is intermediate, $1 - 2\bar{q}(\tau) < \gamma < 1 - 2\underline{q}(\tau)$, democracy does not immediately fail when the weak party holds office. The weak party supports democracy and holds competitive elections, so that peaceful backsliding would not happen until the strong party wins election and takes over office.

Likewise, condition (9) holds trivially when the economic stake of office is extremely high, so that $\tau \geq \bar{\tau}$. In this case, democracy cannot be sustained because violent breakdown would always happen under the weak party's incumbency. Moreover, when the partisan imbalance of military is moderate, $\tilde{\gamma}(\tau) < \gamma < 2\bar{q}(\tau) - 1$, democracy does not immediately fail when the strong party holds office. The strong party needs and is willing to hold competitive elections to maintain peace under its incumbency, so that violence breakdown would not happen until the weak party wins election and takes over office. Furthermore, when the partisan imbalance of military is sufficiently large, $\gamma \geq 2\bar{q}(\tau) - 1$, the strong party would be sufficiently powerful

to monopolize office through peaceful backsliding under its incumbency. This, in turn, blocks the weak party's entry into office and thus prevents violent breakdown. Hence, whether the polity would peacefully backslide into an electoral authoritarianism or violently breakdown into an autocracy depends on who enters office first.

Democracy may be sustained only if the economic stake of office is moderate, $\underline{\tau} < \tau < \bar{\tau}$. In this case, sustainability of democracy further requires γ to be sufficiently low, so that no party has too large a partisan advantage among the military against the other. In particular, when the economic stake of office is moderately low, $\tau \leq \tau^*$, the immediate threat against democracy is the strong party's temptation of peaceful backsliding. As a result, to sustain democracy, the partisan advantage the strong party enjoys against the weak party must be sufficiently low, $\gamma < 2\bar{q}(\tau) - 1$, to ensure that it is not too powerful to engage in peaceful backsliding. In contrast, when the economic stake of office is moderately high, $\tau > \tau^*$, the immediate threat faces democracy is the violent breakdown under the weak party's incumbency. Hence, sustainability of democracy requires $\gamma < 1 - 2\underline{q}(\tau)$, so that the partisan disadvantage the weak party suffers is not too severe to encourage its opportunistic behavior while holding office to cancel elections and wait for conflict.

Proposition 4. *If $\pi = 0$, then there exists an equilibrium that supports sustainable democracy if and only if $\underline{\tau} < \tau < \bar{\tau}$ and $\gamma < \underline{\gamma}(\tau)$, where $\underline{\gamma}(\tau) \in (0, 1)$ for each $\tau \in (\underline{\tau}, \bar{\tau})$, is strictly increasing if $\tau < \tau^*$, and is strictly decreasing if $\tau > \tau^*$.*

According to Proposition 4, provided that the military is purely partisan, democracy is sustainable if and only if the stake of office is moderate and the partisan imbalance of military is sufficiently low. As illustrated in Figure 6, when the stake of office is low and partisan imbalance of military is intermediate, the weak party unilaterally supports democracy, which would eventually fail due to peaceful backsliding after the strong party wins election and takes over office. When the stake of office is high and partisan imbalance of military is intermediate, the strong party unilaterally supports democracy, which would eventually fail due to violent breakdown after the weak party wins elections and takes over

office.

5.2. Civilian control of military

In the previous sections, we have fully characterized the dynamics of political competition in equilibrium and the conditions for sustainable democracy when there is no civilian control of military, $\pi = 0$. Now we investigate whether and how would civilian control of military, $\pi > 0$, helps or hinders in sustaining democracy.

The direct effect of civilian control of military is that it makes each party militarily more powerful while holding office. In particular, compared with the case of $\pi = 0$, when $\pi > 0$,

$$\begin{aligned} q_0 &= \frac{1+\gamma}{2}(1-\pi) + \pi > \frac{1+\gamma}{2} \\ q_1 &= \frac{1-\gamma}{2}(1-\pi) + \pi > \frac{1-\gamma}{2}. \end{aligned}$$

Such an effect makes civilian control of military a double-edged sword for democracy. On the one hand, according to Lemma 2, if a party is too powerful in office, it would find democracy unnecessary to resolve conflict, which leads to peaceful backsliding. Because it makes the strong party even more powerful in office, civilian control of military makes democracy more vulnerable to the threat of peaceful backsliding. On the other hand, according to Lemma 6, if a party is too powerless in office, even though it needs democracy to process conflict, the party would rather give up democracy and wait for violent breakdown because the election that helps it avoid conflict is too competitive. Because it makes the weak party less powerless while holding office, civilian control of military makes democracy more robust against the threat of violent breakdown. Therefore, the net effect of civilian control of military is contingent on whether peaceful backsliding or violent breakdown poses a greater threat in terms of sustaining democracy.

Proposition 5. *There exists an equilibrium that supports sustainable democracy if and only if $\tau > \underline{\tau}$, $\gamma < \bar{\gamma}(\tau)$, and $\underline{\pi}(\gamma, \tau) < \pi < \bar{\pi}(\gamma, \tau)$, where*

1. $\bar{\gamma}(\tau) \in (0, 1)$ for each $\tau > \underline{\tau}$, $\bar{\gamma}(\tau) = \underline{\gamma}(\tau)$ and is strictly decreasing if $\tau < \tau^*$, and $\bar{\gamma}(\tau) > \underline{\gamma}(\tau)$ and is strictly decreasing if $\tau > \tau^*$;
2. $\underline{\pi}(\gamma, \tau) \in [0, 1)$ and $\bar{\pi}(\gamma, \tau) \in (\underline{\pi}(\gamma, \tau), 1)$ for each $\tau > \underline{\tau}$ and $\gamma < \bar{\gamma}(\tau)$, while $\underline{\pi}(\gamma, \tau) > 0$ holds if and only if $\tau > \tau^*$ and $\gamma \in (\underline{\gamma}(\tau), \bar{\gamma}(\tau))$.

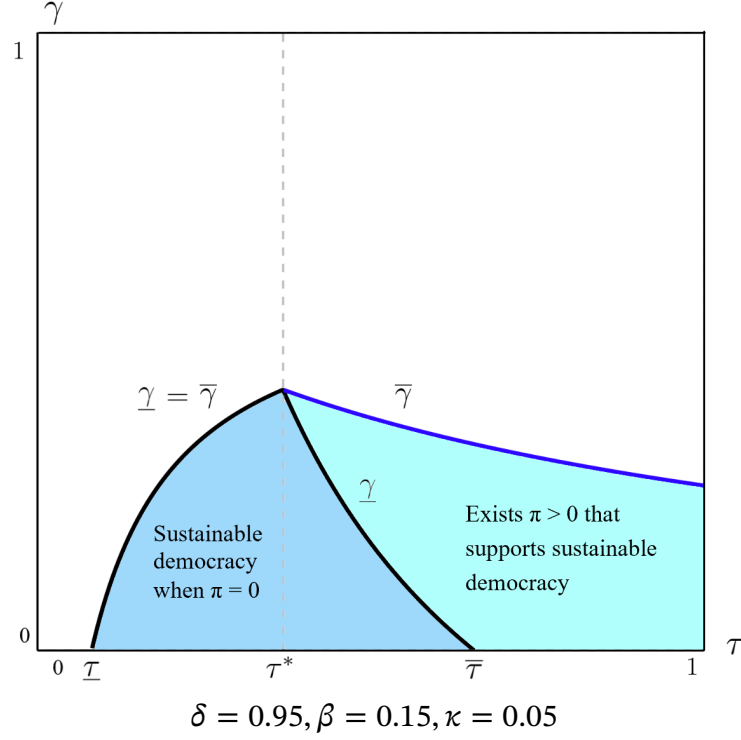


Figure 7: Sustainability of democracy and civilian control of military

It helps interpret results of Proposition 5 by comparing them with those of Proposition 4. First, when $\tau \leq \tau^*$, because $\bar{\gamma}(\tau) = \underline{\gamma}(\tau)$ and $\underline{\pi}(\gamma, \tau) = 0$, democracy is sustainable if and only if $\tau > \underline{\tau}$, $\gamma < \underline{\gamma}(\tau)$, and $\pi < \bar{\pi}(\gamma, \tau)$. Hence, besides that the stake of office cannot be too low and that the partisan imbalance of military cannot be too high, sustainability of democracy in this case additionally requires that the civilian control of military cannot be too strong. In other words, when the stake of office is sufficiently low, so that $\tau \leq \tau^*$, civilian control of military can only hinder the sustainability of democracy. In particular, according to Proposition 4, when $\tau \in (\underline{\tau}, \tau^*]$ and $\gamma < \underline{\gamma}(\tau)$, democracy is sustainable without civilian control of military, $\pi = 0$. But Proposition 5 implies that in this case, a sufficiently high degree of civilian control

of military, $\pi \geq \bar{\pi}(\gamma, \tau)$ would render democracy unsustainable.

When the stake of who holds office is not too large, $\tau \leq \tau^*$, the strong party's ability of peacefully backsliding poses an immediate threat against democracy. In this case, civilian control of military only hinders sustainability of democracy because it makes the strong party militarily more powerful while holding office and, therefore, even better able to peacefully backslide.

Second, suppose $\tau > \tau^*$. Then, because $\bar{\gamma}(\tau) > \underline{\gamma}(\tau)$ and $\underline{\pi}(\gamma, \tau) > 0$ for $\gamma \in (\underline{\gamma}(\tau), \bar{\gamma}(\tau))$, a proper level of civilian control of military could be crucial to sustain democracy. In particular, according to Proposition 4, when the partisan imbalance of military is large but not too large, $\gamma \in (\underline{\gamma}(\tau), \bar{\gamma}(\tau))$, democracy cannot be sustained without civilian control of military, $\pi = 0$. However, according to Proposition 5, with an intermediate level of civilian control, $\pi \in (\underline{\pi}(\gamma, \tau), \bar{\pi}(\gamma, \tau))$, democracy becomes sustainable.

When the stake of office is sufficiently high, $\tau > \tau^*$, the weak party's opportunistic incentive of not holding any competitive election and waiting for violent breakdown becomes a more prominent threat against democracy. Such a threat is severe enough to render democracy unsustainable without civilian control of military if the partisan imbalance of military is sufficiently large, so that $\gamma > \underline{\gamma}(\tau)$. In this case, civilian control of military helps by making the weak party militarily more powerful in office and thus alleviating its opportunistic incentive. Formally, for democracy to be incentive compatible for the weak party,

$$q_0 = \frac{1-\gamma}{2}(1-\pi) + \pi > \underline{q}(\tau)$$

must hold, which requires a sufficiently high degree of civilian control of military,

$$(11) \quad \pi > \frac{\underline{q}(\tau) - \frac{1-\gamma}{2}}{\frac{1+\gamma}{2}}.$$

But to sustain democracy, the degree of civilian control of military at the same time cannot be too high to make the strong party able to peacefully backslide after taking over office. Formally, for democracy to be necessary for the strong party, so that it cannot peacefully backslide,

$$q_1 = \frac{1+\gamma}{2}(1-\pi) + \pi < \bar{q}(\tau)$$

must hold, which requires a sufficiently low degree of civilian control of military,

$$(12) \quad \pi < \frac{\bar{q}(\tau) - \frac{1+\gamma}{2}}{\frac{1-\gamma}{2}}.$$

Both conditions (11) and (12) are necessary to sustain democracy, but they are mutually compatible if and only if

$$\frac{q(\tau) - \frac{1-\gamma}{2}}{\frac{1+\gamma}{2}} < \frac{\bar{q}(\tau) - \frac{1+\gamma}{2}}{\frac{1-\gamma}{2}},$$

which in fact is equivalent to $\gamma < \bar{\gamma}(\tau)$. In other words, when $\gamma \geq \bar{\gamma}(\tau)$, any degree of civilian control of military that is high enough to prevent violent breakdown under the weak party's incumbency must also be high enough to trigger peaceful backsliding under the strong party's incumbency. But when $\gamma < \bar{\gamma}(\tau)$, there exists at least one degree of civilian control of military that, simultaneously, is sufficiently high to prevent violent breakdown and sufficiently low to avoid triggering peaceful backsliding. Such a degree of civilian control of military makes democracy sustainable despite the high stake of office.

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