Institutions as Signals: How Dictators Consolidate Power In Times of Crisis

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Abstract

Formal institutions in dictatorship, such as political parties and legislatures, are known to improve authoritarian governance, place constraints on the leader, and enhance survival by promoting power-sharing. Much less is known about how dictators use institutions to signal strength to the opposition. In this article, I advance a theory of power consolidation in dictatorship that conceives of formal institutions purely as signaling devices. I argue that, at times of weakness, dictators often follow an expand-and-signal strategy, whereby they expand the ruling coalition to decrease the power of potential plotters within it and then create visible formal institutions to signal strong support to the broader coalition and the public. Doing so directly decreases (1) the probability that a coup is launched against them and (2) that one succeeds if launched. The formal model I propose shows that strong leaders who face a crisis have an incentive to expand the coalition and create institutions, even if they know they hold the support of a majority of the coalition before a coup is launched. I use the case of the Dominican Republic before and during Rafael Trujillo's rule to illustrate my theory.

In 1930, after a perfectly orchestrated coup, Rafael Trujillo began his thirty-year long tenure as self-proclaimed *benefactor* of the Dominican people. He moved quickly to consolidate power, creating a political party with an expansive regional and national apparatus, the *Partido Dominicano*, and strengthening the role of the country's Senate. Rural supporters were given important posts in the party, and loyal elites became Senators. In essence, what Trujillo did with celerity and skill during the first six months of his rule was to (1) expand his support coalition and (2) use formal institutions to accommodate the expansion. At a time when he apparently faced no credible challengers, why did

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Trujillo chose to develop these formal institutions rather than focus on establishing a strong army, secret police, and use the repressive tactics that became common in the latter part of his rule?

Formal institutions such as political parties and legislatures are known to improve authoritarian governance and place at least some constraints on authoritarian leaders.[1] They also enhance survival by promoting power-sharing.[2] By incorporating and co-opting different elites into the regime's policy-making process, autocrats can enjoy more stable tenures and better policy outcomes. Indeed, I do not intend to rebuke these assessments. Rather, my argument is that they are incomplete and that we have not yet theorized about the full range of reasons why formal institutions in dictatorship are so common and useful to autocrats. The important intuition from Trujillo's example, and which constitutes the central claim of this article, is that the institutions he created served as highly effective *signaling* devices.

In times of particular weakness, dictators expand their coalition to reduce the relative power of potential plotters within it, and use institutions to communicate strength to the rank-and-file. Since the spread of information and coordination among the coup plotters are crucial for coup success,[3] dictators can reduce both the threat that a coup occurs and the probability that one succeeds if staged by employing the 'extend and signal' strategy that I outline in this paper.

The reasoning behind expanding the ruling coalition is especially counterintuitive. In order to reduce the relative power of the potential coup-plotters within the coalition, leaders incorporate new members with whom plotters will have difficulty coordinating, thus reducing the probability that a coup occurs. An example illustrates my logic best: If, say, a support coalition consists of ten people, and five of them are plotting against the dictator without his knowledge, the dictator is one defection away from being deposed. However, if he expands his coalition to fifteen members by adding five new members, he weakens the position of the plotters, who no longer have the required numbers to

win. The leader pays a steep cost if he expands: current members of the coalition have to share the pie with new members, and therefore loyalists may be more likely to defect.[4]

Leaders face two critical problems when they oversize the coalition. First, they cannot credibly expect new members to remain loyal indefinitely. The dictator needs these new members to send a credible signal of commitment to him, become invested in the regime, and tie their fortunes to the fortunes of the leader. Second, he needs to communicate this gain in power to the broader winning coalition. Oversizing the coalition is much less useful if the rank-and-file are unaware of the dictator's newfound support. This is particularly important, as we know that information plays a key role in determining which actors join a coup and which do not.[5] The dictator must prevent key players, such as ranking officers and soldiers, from joining the coup if one is staged. Informational asymmetries may lead officers to join a coup that may, unbeknownst to them, not have been initially viable. As Little shows, a coup attempt is likely forthcoming at the beginning of a leader's tenure.[6] It is important for the leader to try to affect the officer's belief about his strength and make them less likely to join a coup if one takes place.

Key power-sharing institutions, political parties and legislatures, are useful for the dictator to solve these two problems. First, accepting a public position within an institution, such as vice-president of the senate or member of parliament, sends a signal of commitment and loyalty to the leader and carries a cost for the new member. The more closely she is associated with the regime, the more likely she will be removed or vanished should a coup occur and succeed. In this way, formal institutions reduce the probability that a coup takes place. Second, by expanding the coalition through public formal institutions, the leader communicates strength to the broader coalition, who perceive a signal that the leader is stronger than they thought he was. This makes officers less likely to defect and thus reduces the probability that a coup succeeds if staged.

The expand and signal strategy can be superior to other traditional strategies to garner support, such as distributing rents or purges. The former suffer from a credibility problem, since the leader can withdraw funds at any time and the supporters can end their support whenever they can obtain more elsewhere. The latter, purges, carry a high cost in terms of popularity and support, since more insecurity may reduce other members' payoffs of staying in the status quo and thus induce a coup rather than stifle it. A particularly insidious cost emerges when purging is used in spurts, as described, for instance, in Svolik: since the leader cannot be certain about the identity of the plotters, he may actually purge *loyalists* who have come under suspicion.[7] This may strengthen the chances that a potential coup succeeds. Expanding the coalition, even though it forces current loyalists to share some of the pie of resources with new entrants, is a less costly and potentially more effective strategy.

This article contributes to the literature on authoritarian governance and power-sharing. First, by identifying the role of institutions as signaling devices, we can better understand how they originate and why they vary at different points in time. For instance, it provides an alternative explanation for co-optation: a leader may co-opt a rival faction in order to almost instantly reduce the relative power of another rival faction. If these factions are at odds, their capacity to coordinate is low and, as a consequence, the dictator consolidates power. Institutions then signal this to the broader coalition. Second, modeling how dictators consolidate power in times of evident weakness, for instance, at the outset of tenure, is an important conceptual shift. While extant work does consider the creation of formal institutions in times of crises, conclusions are often related to long-run governance – such as policy outcomes or stability.[8] Instead, I consider short-term solutions to short-term problems, and some of the conclusions I draw differ from those of previous authors. Lastly, a recent trend in the literature on coups is to model the coordination capacity of the opposition.[9] In this article I

complement these works and show how leaders may try to anticipate such coordination by disrupting elite communication and the information that reaches the lower ranks.

This article proceeds in three stages. After a brief introduction to the relevant debates, I introduce a standard signaling model that shows precisely that for a certain range of relatively strong types of leaders, expanding the coalition and creating institutions is attractive. I then present evidence from the Dominican Republic that illustrates the logic put forward in this paper.

Extant Work

The question of how authoritarian leaders consolidate power has received renewed attention in the past decade. Scholars have tended to focus on two different approaches to the issue. One looks particularly closely at the power dynamics within the regime itself. Conflict can emerge when an autocratic leader and a set of elites within the regime fight over control of executive action. Svolik has argued that a the leader has an incentive to accumulate power in his hands and reduce the influence of the ruling coalition, whereas the latter seeks precisely the opposite.[10] The resulting tension can lead to a coup or a more entrenched and consolidated leader. Others in this line of research have focused on the relationship between the dictator and the military.[11] The central dilemma here is that dictators may prefer a strong military apparatus to fight an external threat, but a strong military in turn may find it easier and less costly to conduct a coup. Powell, for instance, argues that placing structural barriers to the coordination capacity of military personnel, such as fractionalizing different branches of the military, reduces the likelihood of a military coup.[12] The coordination problems among the military have also been the focus of work by Geddes and Little.[13]

The second approach to the analysis of dictatorship consolidation has revolved around the role of formal institutions in improving authoritarian governance, which falls within a broader debate on

authoritarian governance pioneered by Linz and O'Donnell, among others, and reenergized more recently by seminal works by Levitsky and Way and Gandhi.[14] One formal institution that has received much attention are legislatures. A key argument in this line of research has been that power-sharing institutions such as legislatures help dictators co-opt opposition groups into the regime's policy-making process, which reduces conflict, solidifies the position of the leader, and helps him obtain his preferred policy outcomes.[15] Boix and Svolik argue that authoritarian institutions increase regime survival by facilitating power-sharing.[16] Gandhi and Przeworski argue that dictators who need greater cooperation make more policy concessions.[17] Other work has helped deepen our understanding about the relationship between dictators and their legislative bodies. Wright argued that regimes dependent on domestic investment rather than natural resource revenue create more binding legislatures, which serve as credible constraints on the leader's ability to expropriate wealth.[18] Wright and Escribà-Folch also show evidence that legislatures make dictatorships more stable.[19]

Another relevant institution are political parties. The debate around the role of political parties in dictatorship has reached less of a consensus than the debate around legislatures. Brownlee, for instance, argues that "[r]uling parties ... bridle elite ambitions and bind together otherwise fractious coalitions."[20] Echoing Geddes, he finds that single-party regimes tend to be the most long-lasting.[21] Slater also ties the survival of authoritarian regimes to the robustness of political parties, which are valuable mechanisms for elites to act collectively.[22] Opposed to this generally positive view of political parties in dictatorship, Wright and Escribà-Folch argue that political parties, in fact, may have a deleterious effect on regime survival in the long run.[23] The authors claim that a strong political party can generate incentives to democratize for authoritarian elites, who can find protection in a subsequent democracy. Other work has explored the role of hegemonic parties, which serve to pre-

vent personal dictatorship and ensure long-lasting rewards for ruling elites through a vast clientelism network.[24]

A contribution of this paper is to provide a theory of leadership consolidation in authoritarian regimes that brings together key insights from these two literatures. On the one hand, I place strong emphasis on conflict between the ruler and his immediate elite circle, rather than a more classic power struggle between a leader and an opposition group. Most coups come from within the regime,[25] hence the focus on this aspect of authoritarian politics. On the other hand, most of the literature has focused so far on the *substantive* value of power-sharing institutions in authoritarian regimes, that is, the constraints that they actually place on dictators to carry out their policy and the power it affords the opposition to shape policy. Here I point to the *instrumental* value of institutions in authoritarian regimes. These institutions can serve as powerful signaling devices, since they are visible and well-known in society. They can be used to communicate a signal of strength by the leader to both his most immediate elite circle as well as to the broader set of actors in the winning coalition. Thus, I do not mean to directly challenge substantive arguments. I consider that they are, in fact, complementary to the argument offered in this paper and that, together, they can give us a more comprehensive understanding of the relationship between dictators and the power-sharing institutions under their control.

Indeed, it is important to point out that my argument in this paper is not in support of institutions as some form of façade for authoritarian leaders to display a false sense of power-sharing. In fact, for the signal to be credible, institutions need to be given a *raison d'être*, a political purpose. In some cases, legislative powers are weak and wholly dependent on the dictator's wishes. In others, legislative freedom gives members of parliament and senators the prerogative to push a certain agenda and obtain actual concessions from the leader. Either way, institutions require a purpose to

serve as credible signals. Institutions are designed to entrench new elites in their post, so that plotters have a more difficult time convincing them to switch allegiance. That may mean, sometimes, as in Trujillo's Dominican Republic, that supporters sycophantically promote legislation to score points with the dictator, such as the time when Mario Fermín Cabral proposed that the capital city of Santo Domingo be renamed to *Ciudad Trujillo*, even if the benefactor himself never requested the change.[26] Other times, legislative freedom may lead to reform that forces the leader to compromise.

My argument also fits well with recent literature on how coups develop from the point of view of the opposition,[27] which echoes earlier arguments by Geddes.[28] Little explores the coordination capacity of officers and the factors that will lead them to join a coup as global game, and argues that a coup attempt is always forthcoming at the outset of a dictator's tenure.[29] Singh shows that coup success depends on officers joining it once it's already in full swing, and information exchange is key to determine allegiances.[30] The better the plotters communicate their likelihood of success, the more likely they are to seduce potential converts and succeed. My paper analyzes how leaders try to thwart the two channels by which the opposition may succeed in a coup.

First, by expanding the coalition, the leader prevents key top-level actors from launching a coup in the first place, since their relative strength is lower and the capacity to coordinate with new members is limited. Second, by using formal institutions as a public signal of increased strength, the dictator manipulates the information mid- and low- level officers use to make the decision whether to join a coup once it starts. We know from Singh that coup success is largely determined by how many actors joins the coup in the final stages, and the leader has a substantial incentive to prevent such a snowball effect once he coup is in full swing.[31] If officers believe that the leader is weak, they are more likely to join. Similarly, the more high-level officers join, the more likely are low level officers willing to join. An expanded coalition dilutes this belief and makes it more likely that the

rank-and-file believe the leader is strong and the coup will fail.

Theory

My central claim is that dictators in times of crises consolidate power by using an expand and signal strategy. It consists of (1) expanding the ruling coalition and adding new members to reduce elite coordination capacity; and (2) signaling their strength to the broader coalition via formal institutions to reduce a snowball effect if a coup is launched. Thus, I conceive of formal institutions as arenas for signaling, an idea that has not yet been considered in the literature on authoritarian regimes. In this article, I focus exclusively on the role of a limited set of formal institutions, parties and legislatures.[32] There are two reasons for a narrow approach. First is that parties and legislatures have tended to dominate the debate on institutions in dictatorship;[33] and, second, because these are indeed highly visible institutions that lend themselves easily to the expand-and-signal approach.[34] Before introducing the formal model, I address relevant theoretical issues related to the expansion of the coalition as well as signaling through institutions.

Expanding the coalition in the midst of a crisis may be counterintuitive, since it may appear to weaken the position of the leader rather than strengthen it. Yet, introducing a set of newcomers to the coalition has the advantage of reducing the coordination power of the plotters within the coalition. New entrants need to be screened and are more likely to support the leader, at least early on. Trying to persuade them to join a coup may give the entire plot away, making coordination difficult for the plotters. Careful selection by the leader is required, but they can select members that have relatively few linkages between them, with current members of the coalition, or that are part of different opposition groups.[35] Making the coordination capacity of the plotters more difficult gains the dictator sufficient time to weather a crisis and potentially close the window of opportunity

for a potential coup against him.

Formal institutions fulfill two key roles within the expand-and-signal strategy. First, they force new members of the coalition to be publicly associated with the regime. This is not an angle that has been much studied in the vast literature on co-optation examined above, or on other related literatures such as studies on co-optation and repression.[36] By extracting a public commitment to him, the leader ensures that members of the coalition are tied to his rule, which binds them in future dealings with him or with any potential successor. The more associated a member becomes to a given ruler, the more difficult it will be to remain in power or avoid repression when a new leader comes to power.

Second, institutions signal the leader's true type to a set of members in the coalition with whom he may not be able to credibly communicate. Support from mid- and low-ranking officers and soldiers is key to the success of any coup, and they may be more likely to join one if they believe the leader is weak and the coup will succeed.[37] If the leader receives public support from new elites, the rank-and-file is more likely to believe that the leader is stronger than the plotters consider him to be. This reduces the likelihood that a coup succeeds if launched. Therefore, we should observe authoritarian leaders making fairly extensive use of seemingly power-sharing institutions such as parties and parliaments, with periods of expansion coinciding with those moments in which a leader is in a relatively weak position. Leaders tend to be particularly weak at the beginning of tenure and after growth shocks.

The Model

The formal model I introduce in this paper seeks to reflect precisely how expanding the ruling coalition through power-sharing institutions both reduces the probability that a coup succeeds and,

under some circumstances, persuades plotters to not carry out a coup in the first place.

The game takes the form of a standard signaling game with two types and a dichotomous signaling choice. The model consists of two actors, an authoritarian leader (L) and a set of plotters (P) from within the dictator's ruling coalition that seek to depose him. The leader is uncertain about who the actual plotters are, but he knows whether or not he enjoys majority support within the coalition. The game begins with Nature drawing a type of leader, who is strong with probability θ and weak with probability $1 - \theta$. While the game resembles Svolik, it differs precisely on this point, i.e. nature moves first by introducing a shock that weakens the leader.[38] The leader's strength is determined by the level of support the leader has within the entirety of the winning coalition. If at least half of the members of the winning coalition back the leader, he always fights and defeats the coup is one is staged with a certain probability. The fact that he does not win outright accounts for the possibility that the rank-and-file join the coup as it is unfolding, as Singh shows.[39] The strong leader thus knows that at least half of the coalition supports him before the coup starts, but the figure may vary as the coup evolves. If, at outset, only half of the coalition minus one (or less) supports the leader, he quits and loses power if a coup is staged.[40] The solution concept is Perfect Bayesian Equilibrium.

Costs and Commitments

Central to the model is the idea that expanding the coalition and establish certain formal institutions is costly to the leader. The cost stems primarily from the division of resources within the coalition. When new members are brought in, current loyal members relinquish part of the benefits they receive and are forced to share them with the new members. This is risky, since it may reduce the level of loyalty of the leader's traditional supporters and make them more likely to coordinate with the

plotters.

At the same time, only strong leaders can afford to expand the coalition and divide the spoils among more people without causing a rebellion. This is precisely the source of the commitment mechanism in the model. I assume that strong types, those who enjoy the support of at least half of the coalition, are always willing to fight, since their payoff is always higher than losing government and paying the cost of exile or death. On the other hand, weak types always quit. Apart from carrying a cost, a credible signal must communicate that a leader is willing to fight if he is defied. Using functioning institutions as signals does precisely that: only leaders that are in it for the long haul are willing to incur the expense of creating and maintaining complex structures such as one or multiple parties and legislatures. Sending a signal that you are willing to anything to remain in power, and that a majority of elites are willing to make their support for your regime public, communicates resolve.

> ***Assumption 1:*** Oversizing is costly, since it the coalition reduces the payoff of supporting the leader for current loyalists within the coalition.

Information Structure and Timing

The leader is informed about his type at the outset of the game. Both the leader and the plotters know the probability distribution around θ, the prior belief about the strength of the leader, but the plotters do not know precisely which leader they are facing. The game proceeds as follows: after Nature has determined the type of leader, the leader decides whether to expand the coalition through institutions or not expand at all. In either case, the plotters then have a choice between launching a coup or acquiescing in the new or current status quo. If they do not coup, the game ends. If they do, the leader can then decide whether to fight the coup or quit. The extended form of the game is

represented in Figure 1.

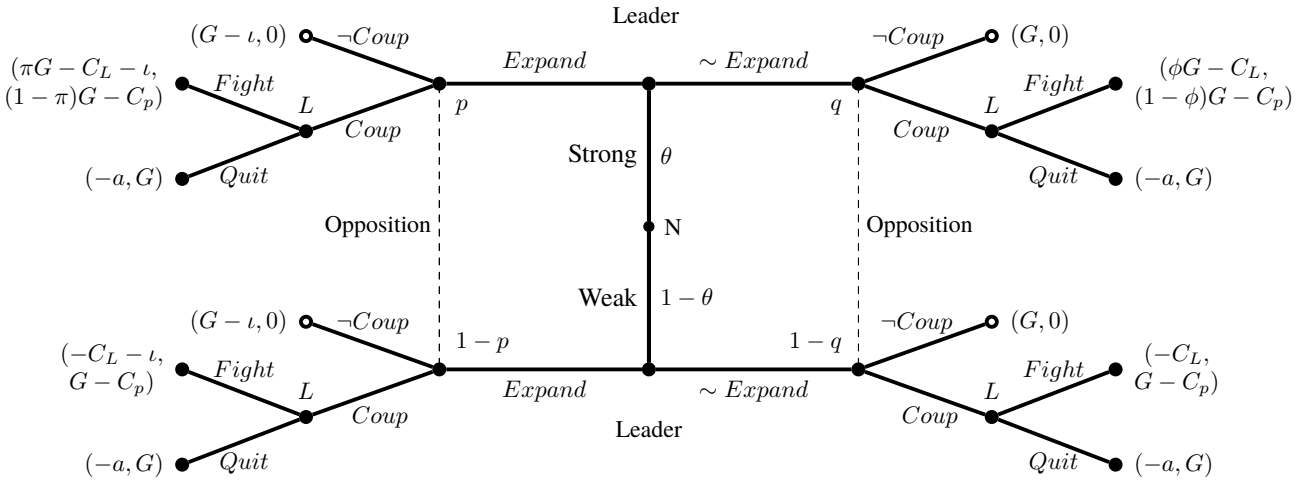

Figure 1: Signaling Model In Extended Form

Payoffs

The payoffs for the leader are as follows. If he decides not to expand the coalition, all leader types receive G, the value for continuing to govern the country, if no coup is staged. If a coup does indeed occur, however, strong types receive $\phi G - C_L$ if they fight, and $-a$ if they do not. ϕG is the value for the prize multiplied by the probability of winning a coup if no expansion occurs. C_p is the cost the leader pays for fighting off the coup. If he quits, he pays a cost $-a$, which captures the cost of losing control of government plus other costs associated with resigning, such as restrictions on freedom, audience costs that may preclude him from holding office in the future, or exile. Weak types, on the other hand, would only pay $-C_p$ if they fight, since their probability of winning a coup if it is staged goes to zero. If they quit, they also pay the cost of quitting $-a$.

The payoffs differ slightly for the leader if he decides to expand the coalition through formal

institutions. If no coup is staged, both types receive $G-\iota$, the value of governing minus the signaling cost. If a coup occurs, strong types get $\pi G - C_L - \iota$ if they fight. Here, π is the probability that the coup succeeds after a signal is sent. As before, weak types that fight have no chance of winning, so their payoffs of $-C_L - \iota$ (the cost of fighting and the sunk cost) are strictly negative. Both types pay a cost of $-a$ if they decide to quit after a coup is staged.

There are two important conditions to note here. First, the costs to fighting for the weak type are strictly lower than the costs of quitting, i.e. $-C_L < -a$ and $-C_L - \iota < -a$. This ensures that a weak type of leader always prefers to quit rather than fight. Conversely, strong types always fight, as they know they have enough support to defeat the coup. So $\phi G - C_L > -a$ and $\pi G - C_L > -a$. In this set up, sending a public signal that the coalition has been expanded and more elites show their support for the leader affects the probability that a coup succeeds. This is meant to reflect the channel of indirect communication mentioned above. Officers further down the chain of command may not receive credible signals that a leader is weak or strong, and may join the coup if staged. Sending the signal has the effect of persuading lower-ranking officers to not join the coup.

Assumption 2: $\frac{\pi}{\phi} > 1$. If a strong leader expands the coalition, his probability of winning is greater than if he does not expand the coalition.

As for the plotters' payoffs, they obtain a payoff of 0 in all situations in which they do not launch a coup. If they launch a coup, their payoffs will vary according to the type of leader they are facing and whether they observe the signal. If they observe a signal that the ruling coalition was extended, their payoffs for fighting are $(1-\pi)G - C_p$ if the leader is strong and $G - C_p$ if he is weak. G is the value for controlling government and it is the same for both actors. C_p is the cost to the plotters of fighting if the leader does not quit. If they do not observe any signal and they launch a coup, their

fighting payoffs are $(1-\phi)G - C_p$ if the leader is strong and $G - C_p$ if he is weak. They obtain G every time the leader quits.

Equilibria

Before delving into the effects of asymmetric information on the expansion of the ruling coalition through institutions, I begin by analyzing the complete-information game. Under full information, strong leaders would always fight off a coup successfully, while weak ones would fall. Plotters would always coup against weak types and acquiesce against strong types. Given this, strong leaders would never be willing to pay the signaling costs, and the game would end with no expansion and no coup. As for weak types, they quit regardless of whether they send the signal. So, with complete information, a pooling equilibrium exists in which no type expands the coalition.

Things change when we give the leader private information about his true type. While a pooling equilibrium still exists in which leaders do not expand the coalition, another pooling equilibrium emerges in which both types prefer to expand the coalition under certain circumstances. These two pooling equilibria provide the main results of this paper. Let us start with the pooling equilibria in which all types decide to oversize the coalition and signal the expansion through formal institutions. By backward induction, and given the conditions that strong leaders always fight and weak leaders quit, then the plotters will be indifferent between staging a coup or not when

$$\begin{aligned} p[(1-\pi)G - C_p] + (1-p)(G) = 0, \\ p^* = \frac{G}{\pi G + C_p}. \end{aligned} \tag{1}$$

Thus, if $p^* \geq \theta$, their prior belief about the leader's strength, a coup is launched. They do not rebel if $p^* < \theta$. This gives us the plotter's mixing strategy.

How does a strong leader respond in either case? If $p^* < \theta$, he knows that a coup will not occur, and he will obtain a payoff of $G - \iota$. This is because when the probability that the coup fails is high, the payoff to fighting is strictly negative, $(1 - \pi)G - C_p < 0$, and the plotters are better off waiting out the period. Is the leader better off defecting and choosing to send no signal at all? Off the equilibrium path, the plotters will coup after no signal is sent if

$$\begin{aligned} p[(1-\phi)G - C_p] + (1-p)(G) = 0, \\ q^* = \frac{G}{\phi G + C_p}. \end{aligned} \tag{2}$$

Since, by assumption, $\pi > \phi$, plotters are more likely to coup after not observing a signal, $p^* < q^*$. If the dictator does not send the signal, the plotters launch a coup and he defeats them with probability ϕ. But if he expands the coalition and reduces the likelihood the rank-and-file join the coup, his probability of surviving the coup attempt increases to π. Whether he defects now depends on whether $q^* \geq \theta$. If this condition holds, then the plotters always coup and the leader will defect only if he is better off fighting off a coup than sending the signal. This will be true when $G - \iota < \phi G - C_L$, or $\iota > (1 - \phi)G + C_L$. Only exceedingly strong leaders, for whom the cost of fighting off the coup is really low and the term $(1 - \phi G)$ is close to zero, will prefer to not send the signal. If, on the other hand, $q^* < \theta$, the plotters never launch and the leader defects and prefers to not institutionalize.

Therefore, with asymmetric information, we obtain a situation in which strong types whose prior

strength lies between p^* and q^* may still prefer to send a costly signal and expand the coalition. It is also expected that strong types for whom $\theta \geq q^* > p^*$ never institutionalize. The reason why this constitutes a pooling equilibrium is that, given the uncertainty that plotters face, weak types will always try to imitate strong types. If they do not and separate themselves, they will signal that they are weak and attract a coup, which will succeed. Hence they will prefer to send the signal, benefiting from the randomization of the plotters and surviving with probability $1 - p^*$.

> ***Proposition 1:*** There exists a range of *strong* leaders that prefer to expand or oversize the coalition and pay the signaling cost when $p^* < \theta < q^*$. Strong leaders will send the costly signal if $\iota < (1 - \phi)G + C_L$, and will not otherwise.

If $p^* \geq \theta$, that is, if the plotters always coup after expanding the coalition, slightly different outcomes emerge. Since, following my previous logic, $q^* \geq p^*$, in this situation the plotters always coup no matter what the leader does. This echoes Little's argument that leaders always face a coup in period 1 after coming to power.[41] In these circumstances, a strong leader will always fight, while a weak one will quit. Since for the weak leader the cost of quitting is always $-a$, he is indifferent between expanding and not expanding. Yet, does the strong leader still prefer to expand the coalition? That will depend on whether $\pi G - C_L - \iota > \phi G - C_L$. More specifically, he will prefer to institutionalize when $\pi G - \phi G > \iota$, that is, when he has a chance to obtain more of his value of governing by expanding than the simple cost of creating the expansion.

> ***Proposition 2:*** If $p^* > q^* \geq \theta$, strong leaders expand the ruling coalition precisely because they know a coup is forthcoming, and sending the signal improves their chances of winning the coup provided $\pi G - \phi G > \iota$. Weak types also send the signal to avoid separating themselves, and benefit from the plotter's mixing strategy.

This game also has a pooling equilibrium in which both types of leader decide not to send a signal. For this to be the case, leaders need to be sufficiently strong that plotters will not coup even in a moment of apparent weakness, or $\theta > q^*$. Another option is that, even if a coup is forthcoming, or $q^* > \theta$, then the leader is better off not institutionalizing and instead fights off the coup, or when $\phi G - C_L > \pi G - C_L - \iota$, or $\pi G - \phi G < \iota$. This may be the case if expanding is too costly, but strong leaders should be able to afford a sufficient level of institutionalization to increase the probability π of surviving a coup just enough. Thus, this equilibrium is sustained on the part of the strong leader only if $\theta > q^*$. As regards the weak type of leader, again, he has the incentive to imitate the strong type and not send any signal, as it may benefit from the plotters not launching a coup in such case. He is indifferent between expanding the coalition or not if the plotters launch a coup as his payoff is $-a$ in both instances.

> ***Proposition 3:*** If $\theta > q^* \geq p^*$, neither strong nor weak leaders will expand the coalition through institutions. The strong leader is believed to have enough to survive a coup even if he does not expand the coalition.

It is important to note that this game only has the pooling equilibria described above. No separating equilibria can exist, since a weak leader never has an incentive to reveal his true type. Doing so would always lead to a successful coup. Similarly, no semi-separating equilibrium exists for the same reason. If, for instance, strong leaders use a mixed strategy, the weak leader would always want to defect and imitate a strong leader when he chooses a different strategy. Weak leaders would never mix, since their true type would be revealed at least some of the time.

In this paper I have presented a fairly standard signaling game with discrete types and two signaling choices. In the continuous-signal form of the game, a separating equilibrium exists for a range

of strong types that send a stronger signal than a weak type can ever send. That is, my model as is assumes that weak leaders can imitate strong leaders and benefit from the plotters' mixing strategy, which sometimes leads to no coup occurring. So in that form of model, (1) leaders that can survive *any* coup never expand the coalition, (2) leaders whose support is not sufficient to guarantee that they survive every coup expand the coalition above the level at which a weak type could imitate them, and (3) weak types do not expand the coalition and fall victim to a coup. The most important takeaway from both models is the second, i.e. that there is a range of strong types for which it is better to send a costly signal, expand the coalition through formal institutions. The main result, therefore, is common across models.

Institutions Under Trujillo In The Dominican Republic

In this article, I contend that dictators expand the coalition in times of weakness to weaken the relative position of the plotters and use formal institutions to signal strength to the broader coalition. The case of Rafael Trujillo, which I review now, illustrates this argument well. I will focus on two specific events: Trujillo's removal of Vasquez from power in early 1930 and the steps he took to consolidate power afterward.

When Rafael Trujillo rose to power in the Dominican Republic in 1930, the country was politically and institutionally underdeveloped. Internecine power struggles between *coludo* and *bolo* caudillos had led to a period of deep political instability starting in 1899. Eleven presidents ruled the country between that year and 1914, when US occupation began. Trujillo trained with the American forces and rose through the ranks during Horacio Vasquez's six-year tenure after the US left in 1924, becoming the commander in chief of the armed forces in 1927.[42] As the great depression weakened Vasquez, whose decision to seek an extension on his term limit proved unpopular, fac-

tions developed that sought to overthrow him. A nationalist movement led by Rafael Estrella Ureña launched a revolt on February 23, 1930, and Trujillo seized the moment to strike a pact with Estrella and take power for himself.

Trujillo's coup in 1930 is a vivid example of why leaders (1) are constantly under threat from other members in the ruling coalition and (2) they do not know who these plotters are. I argue that, precisely for these reasons, leaders are better off using an expand and signal strategy over other potential solutions, i.e. selective purges and co-optation through increased rents. By making Trujillo commander in chief of the armed forces in 1927, Vasquez intended for him to become his second in command and his most loyal servant. Yet, in early in 1930, Trujillo began to plot against Vasquez by forming an alliance with Estrella's movement. He allowed Estrella's forces to march freely on Santo Domingo, while telling the President that he was doing everything within his power to stop them. As Crassweller describes, Vasquez refused to believe, until the very last second, that Trujillo was behind the plot to overthrow him; he only realized it when Trujillo himself appeared in his office and asked him to leave.[43]

While he had the support of Estrella's coalition and the army, Trujillo's position was not consolidated. New rulers have coups launched against them more frequently[44] and the effects of the Great Depression could sow discontent quickly and erode his position. Moreover, Trujillo had one main competitor, Estrella himself, whose movement he used to depose Vasquez. Estrella was the only figure who had the prestige and political capital to pose a difficult challenge to Trujillo's rule. While Trujillo controlled the armed forces, Estrella had the charisma, the coalition, a small political party –the Patriotic Coalition of Citizens– and a position of power. As part of the deal, Estrella was made interim President and Trujillo would run as a candidate in the August 1930 elections, partly because the US State Department refused to recognize a potential Trujillo administration.[45] Estrella

emerged, therefore, as the main threat to Trujillo's path to the Presidency.

After becoming President in August 1930, through elections that he helped rig,[46] Trujillo set out to consolidate his power. Indeed, what Trujillo did next helps illustrate precisely the expand-and-signal strategy I describe in this paper. Trujillo first dissolved the Patriotic Coalition of Citizens, Estrella's party and the one which had brought him to power. He then founded the *Partido Dominicano* and established himself as its leader. The party would soon reach a membership of 1,302,751 Dominicans, as most citizens were required to sign up. The political elite that emerged was a mix of new *Trujillistas* from Santo Domingo and an old rural elite that fit uneasily in the new scheme. Trujillo held a deep disdain for the old 'aristocracy' and sought to undermine their power by creating a powerful urban elite made up of people whom, like himself, had risen from the lower classes.[47] He organized the party in one central, 23 provincial, and 69 communal *juntas*. Further local and district-level groups were organized. Leadership of these subgroups became equivalent to social standing, and occasional purges ensured every provincial and national leader remained alert and loyal. The expansion of Trujillo's coalition from a small centralized group of support in the Patriotic Coalition of Citizens, in which Estrella Ureña competed for leadership with Trujillo, to a wide-ranging complex organization with many more members like the Dominican Party took place in less than a year.

The relative power of Estrella and his coalition dwindled as the party elite grew in numbers and in support for Trujillo. Indeed, Estrella's downfall was precipitous. After agreeing to transfer the Presidency to Trujillo in August 1930 after 5 months as acting President, he became the Vice-President. He resigned from the position in 1932 after fleeing to Cuba in late 1931. He returned from exile in 1940 and Trujillo made him Supreme Court Justice, but tensions between them arose again after Estrella reignited his old Nationalist Party and died in 1944 in suspicious circumstances.[48]

More generally, while Trujillo is remembered as one of the most ruthless and long-lasting dictators in Latin America during the twentieth century, his rule was not solely based on repression executed by a small coterie of sycophants. Quite to the contrary, he built a relatively complex network of regional and national institutions and used it to manage his power. In fact, in the Democracy and Dictatorship dataset,[49] Trujillo's Dominican Republic is coded as one of the most institutionalized dictatorships. Elections were held to elect representatives, multiple parties were allowed both de jure and de facto for long stretches of time, and a functioning legislature existed that could enact its own laws –with the consent, of course, of the benefactor. This network of institutions, I argue, was useful to Trujillo not to prevent domestic conflict and improve policy-making generally. For the former, he had the Military Intelligence Service, a sharp and spineless police force tasked with repressing all forms of dissent. For the latter, he could find ways to strong-arm any lawmaker into submission.[50] Rather, institutions were used as signaling devices to members within and without his immediate support circle that any deviation from the most absolute loyalty would be greatly punished.

The Dominican Party was Trujillo's main tool for coalition expansion. Another was the Parliament, which slowly increased from 31 representatives and 12 senators in 1930 to 58 and 23 respectively in 1957, just four years before Trujillo's assassination. Why the expansion? While the legislature retained powers to enact law, and even if multiple parties were allowed at different points in time, all of its members were staunch Trujillo loyalists. In the only election in which the Partido Dominicano did not obtain one hundred percent of the vote, in 1947, no party obtained enough votes to enter either chamber of Parliament. Rather, these formal institutions were in place precisely as signaling devices. In entering them, the elites that were part of these institutions made their support for Trujillo explicit by becoming invariably linked with the regime. While many survived the

country's transition to a weak democracy in the second half of the 1960s, most notably Joaquín Balaguer, the outcome would likely have been the opposite had a rival faction taken power via a coup. Moreover, the institutions convened on a regular basis and were part of the political debate of the time. Senators were important people, and scandals involving them fascinated the popular imagination. Between the elites in the party organization, and the elites in Parliament, few were left to contest the regime consistently from the outside, which explains why Trujillo was never under real pressure to co-opt domestic opposition. Plotters from inside the regime had the unenviable task of convincing the rank-and-file that Trujillo was weak enough that a coup against him would succeed. By creating such strong a visible institutions, Trujillo made himself look strong in the eyes of a majority of the armed forces and the broader populace. The three coup attempts he faced in the first decade in power were easily and quickly defeated.[51]

A relevant juncture in Trujillo's dictatorship came in 1948, perhaps when Trujillo was at his strongest, with world sugar prices booming after World War II. Multiple parties were legally allowed in the Dominican Republic under Trujillo, but at different points in time, parties other than the *Partido Dominicano* were repressed in practice. For the 1947 election, Trujillo allowed multiple parties to run. World War II had a relatively negative effect on the state's finances, leading to difficulties between 1943 and 1947. Trujillo decided to create the image of integration and plurality by allowing multiple parties to run. The Democratic National Party of Rafael Espaillat, known as *navajita* (little knife), obtained 3 percent of the vote. Espaillat was a loyalist who became chief of the secret service. Another party, the National Labor Party, obtained also 3 percent of the vote. Its 'leader', Francisco Prats Ramírez, was also a loyalist who had also been President of the *Partido Dominicano*. Trujillo won the election with over 93 percent of the vote, and neither of the other two parties won sufficient votes to obtain a single seat in the legislature. After 1948, with the country's

economic fortunes reversed and the election won, any party other than Trujillo's Dominican Party was not allowed to operate in practice, even if they remained legal. It was not until 1961, the year of Trujillo's death, that multiple parties operated both de jure and de facto again.[52]

Conclusion

The main theoretical contribution that this article wants to make is that autocrats, when faced with a particularly difficult predicament, have often resorted to a relatively unknown and counterintuitive tactic to retain power: they expand, rather than shrink, the ruling coalition and use formal institutions purely as signaling devices meant to generate commitment from new members and communicate credibly to the rank-and-file that the leader is too strong for a coup to succeed. Many instances of this exist throughout history. When Rafael Trujillo came to power, for example, in the Dominican Republic in 1930, he moved quickly in the first six months of his rule to create a large party apparatus and expand the country's senate. In the case of Morocco, which Gandhi uses in her book,[53] King Mohammed V faced strong internal opposition upon his return to the country as rightful King in 1957 just after independence from France. Within 7 days of his arrival, to counter the powerful movement that sought to impede his reign, he establish the country's first Parliament and filled it with 75 loyalists. The celerity with which the institution was created, coupled with the fact that loyalists were placed in positions of influence, lends credence to the idea that the institution served as a way to expand the coalition, weaken the relative power of the opposition group, and tell potential plotters that staging a coup was the wrong choice.

The formal model I have introduced in this paper captures both of these relevant dynamics. On the one hand, and most importantly, using institutions as a public signal that the ruling coalition has expanded directly increases the probability of winning a coup, since more members of the rank-

and-file perceive the signal and decide not to join a coup if it is staged. In doing so, the payoffs for staging a coup for the plotters are lower after the coalition has expanded, which makes them more likely to not stage a coup in the first place.

The main results of this paper are straightforward and intuitive: very strong leaders, who enjoy enough support from their coalition to survive virtually any coup, prefer not to institutionalize. Weak leaders, who know that they will lose power if a coup is staged, try to imitate strong leaders and benefit from the plotters' mixing strategy, which is to not launch a coup some of the time. In the continuous-signal form of the model, weak types do not imitate since stronger types manage to separate themselves by sending a signal that weak types cannot afford. What is most relevant, however, is that there exists a range of strong types that are always better off sending the signal under certain circumstances.

This article bridges an important gap between the literature on coups and dictatorial consolidation and the one on power-sharing institutions in authoritarian regimes. I provide a new theory for the emergence of a very specific set of formal power-sharing institutions in dictatorship: formal organizations such as political parties and legislatures created or completely reconstructed by the leader. Especially important is to consider actions by a leader in times of crisis, particularly at the outset of rule and after a severe shock. In these times, fewer leaders are likely to be strong enough to survive any coup, and visible dwindling support makes more leaders likely to engage in signaling of the type advanced in this paper. More leaders, that is, are likely to fall within the range of types that decide to expand the coalition in times of crisis. Once created, these institutions are likely to persevere at least during the leader's tenure.

Notes

[1]Gandhi 2008; Wright 2008.

[2]Boix and Svolik 2013.

[3]Little 2017; Singh 2014.

[4]Note that, in this scenario, three of the five old loyalists need to defect for the leader to lose. Provided the leader does not reduce their rents by a large amount, they are likely to remain loyal. What is important here is that strong leaders will be willing to pay this cost, and the stronger they are, the higher the cost they can afford. This will have important implications in the game.

[5]Singh 2014.

[6]Little 2017.

[7]Svolik 2009.

[8]Gandhi 2008.

[9]Little 2017; Singh 2014.

[10]Svolik 2009.

[11]Acemoglu, Ticchi and Vindigni 2010; Beasley and Robinson 2010; Powell 2012.

[12]Powell 2012.

[13]Geddes 1999; Little 2017.

[14]see Linz 1975; O'Donnell 1973; Levitsky and Way 2002, 2010; Gandhi 2008.

[15]Gandhi 2008.

[16]Boix and Svolik 2013.

[17]Gandhi and Przeworski 2007.

[18]Wright 2008.

[19]Wright and Escribà-Folch 2012.

[20]Brownlee 2007, 33.

[21]See Geddes 1999.

[22]Slater 2010.

[23]Wright and Escribà-Folch 2012.

[24]Magaloni 2006.

[25]Svolik 2009; Little 2017.

[26]Crassweller 1966.

[27]Little 2017; Singh 2014.

[28]Geddes 1999.

[29]Little 2017.

[30]Singh 2014.

[31]Singh 2014.

[32]Gehlbach and Keefer 2011; Gandhi 2008; Wright 2008.

[33]Brownlee 2007; Gandhi 2008; Gelbach and Keefer 2011, 2012; Wright 2008; Wright and Escribà-Folch 2012.

[34]Extending the logic to other institutions, such as electoral processes (Gandhi and Lust-Okar 2009) or the judiciary (Ginsburg and Moustafa 2008), is beyond the scope of this paper.

[35]see Lust-Okar 2005.

[36]Escribà-Folch 2013; Frantz and Kendall-Taylor 2014.

[37]See Singh 2014.

[38]Svolik 2012.

[39]Singh 2014.

[40]I make this assumption for simplicity since it does not alter the results of the model. Theoretically, however, leaders could survive a coup if less than half of the coalition supports him, but some do not join a coup as it unfolds. What this would do is lead more weak leaders to imitate strong types, which is already part of the set of equilibria that result from the model.

[41]Little 2017.

[42]Turits 2003.

[43]Crassweller 1966.

[44]Little 2017.

[45]Crassweller 1966.

[46]Hall 2000.

[47]Ibid.

[48]Crassweller 1966.

[49]Cheibub, Gandhi and Vreeland 2010

[50]Turits 2003; Crassweller 1966.

[51]Crassweller 1966.

[52]Cheibub, Gandhi and Vreeland 2010; Crassweller 1966; Derby 2009; Turits 2003.

[53]Gandhi 2008.