

The Quran and the Sword: The Strategic Game Between Autocratic Power, the Military, and the Clerics

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Context and research question

- ▶ Development requires a modern state with the capacity and strength to implement key institutional reforms.
- ▶ In a *repressive state*, the ruler exclusively relies on an army powerful enough to put down rebellions led by traditional leaders. Alternatively, in a *co-optive state*, he co-opts traditional leaders (including religious clerics).
What guides the choice of an autocrat between these two regimes is our central theoretical issue.
- ▶ An autocracy can change forms, however, and this may depend on pivotal circumstances that can be explored analytically and documented empirically. Examples: Muslim countries, Myanmar and India in Asia, Brazil and Central America in Latin America.

Our broad setup and existing literature

- ▶ To investigate the logic of an autocrat's choice between the two forms of states, the military and the religious clerics are featured as separate actors playing with the autocrat.
- ▶ Clerics have heterogeneous income-ethics preferences. Hence they are unequally seducible or co-optable by the autocrat.
- ▶ Like in much of the literature, we assume that repression and co-option are the key instruments of power.
- ▶ However, we feature the army as a full-fledged actor rather than as a hidden hand behind the ruler's repressive arm. Our effort is part of a recent economic literature that pays attention to the specific role of the military in actual or potential dictatorships (Egorov and Sonin, 2014; Besley and Robinson 2010; Acemoglu et al., 2009, 2010; Leon, 2014, 2017; and Aney and Ko, 2015).

The broad setup

- ▶ **Our original contribution: a three-player strategic game between an autocratic ruler, a centralized army, and a decentralized set of religious clerics.**
- ▶ The autocrat may not be completely free to set the size of his repressive forces on the basis of internal political order considerations. He may be constrained by geopolitical forces that play out on the international level.
- ▶ Some parameters of the model can represent channels through which external influences take place. Hence, it can shed light on the role of significant external events or forces (incl. international diffusion of Islamist ideas) that operate in combination with the internal functioning of Muslim polities.

The broad setup

- ▶ Central assumption: the loyalty of clerics and military can be bought off by the autocrat. This assumption is unconventional yet well warranted: tradition of religious dynasties (Lapidus, 2002; Platteau, 2017), military complexes such as Milbus in Pakistan (Siddiq, 2017 for Pakistan; Laribi, 2007; Benderra, 2020 for Algeria; Sayigh, 2019 for Egypt; Clark, 2010 for Yemen).
- ▶ Military alliance needed to reduce the risk of coups.
- ▶ Religious legitimization needed because of potential leadership role of dissenting clerics. When religion is decentralized, the threat depends positively of the fraction of clerics antagonized by the autocrat's policies.

Precising the objectives

- ▶ Three instruments for the autocrat: the intensity of institutional reforms, perks to the clerics and the military, the defence budget.
- ▶ **Central question: what are the possible equilibria and which factors determine whether one or the other will prevail?**
- ▶ Several trade-offs: moderating reforms versus enhancing co-optation, cajoling clerics versus cajoling the military, building a strong military to beat back clerics versus limiting the army's strength to avoid a coup.
- ▶ **Second objective:** use a comparative case study approach to illustrate the theory. With special reference on contemporary Muslim countries. And use the theory to elucidate the dynamics of policy reversals (with reference to Saudi Arabia and Iraq).

Punchlines

1. *The empirically dominant regime is one of double co-optation of clerics and military.*
2. *From the standpoint of theory, this regime may be optimal even when the autocrat chooses army size on the basis of internal security considerations.*
3. *Equilibria in which only the military are co-opted are possible, unlike equilibria in which only clerics are.*
4. *Under exclusive co-optation of the military, intensity of the reforms is stronger than under double co-optation.*
5. *In double co-optation equilibria, clerics' aversion to reforms may be either underplayed or overplayed in the autocrat's objective function. This depends on army size.*

Time structure of the game

- ▶ *Step 1:* The autocrat chooses the magnitude of (progressive) institutional reforms, the perks awarded to the clerics and to the military (which are differentiated), and the amount of the defense budget (if it is considered to be under the autocrat's control).
- ▶ *Step 2:* Each religious cleric decides whether to support the autocrat or not. Supporting him entails a risk for the cleric to see his religious credibility and authority dented or even ruined. Bearing in mind that the clerics are scattered over the national territory and over different networks between which the autocrat's legitimacy varies, the risk of reputation loss decreases with the initial local legitimacy of the autocrat as perceived in the specific environment of the cleric. The fraction of supporting (and dissenting) clerics can then be determined.

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Time structure of the game (cont'd)

- ▶ *Step 3:* In front of the opposition formed by the dissenting clerics, the military decide whether to put it down.
- ▶ *Step 4:(a)* In case of repression, the clerics-led repression fails if its strength is smaller than that of the autocratic regime. The strength of the rebellion is a positive function of the fraction of clerics who have joined it, and of their effectiveness in mobilizing people and organizing the protest movement. As for the strength of the autocratic rule, it is a composite measure that varies positively with the army size (chosen or not by the autocrat), its effectiveness, and the autocrat's intrinsic legitimacy, and negatively with the (rebellious) strength of the clerics. In other words, a strong autocratic rule is based on a high legitimacy of the autocrat and/or powerful repression forces relative to the strength of clerics-led rebellion.

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Time structure of the game (cont'd)

- ▶ *Step 4:* (b) If the clerics-led rebellion succeeds with no military repression, the new religious regime (a theocracy) pays to the military sufficiently large perks to keep them away from the temptation of staging a coup, and it refrains from enacting any progressive reform (or implements regressive policies).
- ▶ *Step 5:* The military decide whether to make a coup or not against the autocrat. When a coup is chosen, a cost has to be incurred which decreases in the size of the army (and is concave). In the ensuing military regime, the army takes control of the economy and carries out its own reform program, which is less ambitious than the program the autocrat would have chosen but more ambitious than the one the theocracy would have opted for.

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Preliminary results

1. The autocrat has enough instruments and sufficient information to ensure that **no popular rebellion and no military coup occurs at equilibrium** (they could only happen as a result of mistakes). But the very existence of a threat to his rule restrains his actions in a way that needs to be explored.

2. **The fraction of clerics supporting the autocrat at an interior equilibrium *increases with*:**

- the amount of perks they get in exchange for their support,
- the autocrat's national legitimacy,
- and the repressive power of the army (the size of the army multiplied by unit effectiveness).

It *decreases with*:

- the level of reforms implemented by the autocrat,
- the (average value of) the clerics' aversion to reforms,
- and the effectiveness of the clerics at organizing rebellions.

Main results: two key concepts

1. We define the **strength of the regime** as a composite index which *increases* with the legitimacy of the autocrat and the repressive power of the army (itself dependent on the size of the army and its effectiveness), and *decreases* with the effectiveness of the clerics at organizing rebellions.
2. We define the **social aversion to reforms** as a composite index obtained by adding up a parameter measuring the average aversion of the military and a weighed parameter measuring the average aversion of the clerics.
 - The weight depends on the size of the regime strength: according to intuition, the weight (and hence social aversion) decreases with regime strength.
 - When the regime strength is smaller than $1/2$, the weight attached to clerics' aversion is higher than unity (the clerics matter more than the military).

Main results with exogenous army size

1. There is a threshold value of the regime strength above which the autocrat prefers exclusive co-optation of the military to double co-optation of both the military and the clerics. This value is equal to 1.

Implication: the autocrat never chooses to dispense with the support of the military, yet can choose to dispense with the support of the clerics.

2. The equilibrium level of institutional reforms is lower under double co-optation than under exclusive co-optation.

3. *Under exclusive co-optation*, the equilibrium level of reforms does not vary with army size, and it varies negatively with the military's aversion to reforms.

Main results with exogenous army size

4a. *Under double co-option*, the reform level depends negatively on social aversion to reforms.

4b. *Under double co-option*, reforms are more important when the regime is stronger. This follows directly from: (i) when regime strength is higher, social aversion to reforms is lower, and (ii) when social aversion to reforms is lower, the level of reforms is higher.

4c. *Under double co-option*, when the regime is stronger and more reforms are enacted, the proportion of clerics supporting the regime falls.

4d. Under the same co-option mode, the effect of a stronger regime on the perks paid to the supporting clerics is a priori ambiguous. Two opposite effects are at work: a positive reform effect and a negative deterrent effect.

Main results with exogenous army size

4e. When aversion to reforms of the military increases, perks to loyal clerics decrease. And, analogously, when average aversion to reforms of the clerics increases.

4f. An increase in average aversion to reforms of the clerics has two opposite effects on their own perks: the direct, positive effect and the indirect, negative effect (that runs through the induced change in the level of reforms).

Endogenous army size: stating the problem

- ▶ In order to stay in power, the autocrat needs to prevent a successful clerics-led rebellion, and a military coup.
- ▶ Providing enough defence resources to the army reduces the risk of rebellion, but presents the drawback of increasing the risk of a successful military coup.
- ▶ This risk can nevertheless be mitigated by paying high perks to the military, which reduces their incentive to meddle in politics and simultaneously increases their incentive to crush a clerics-led revolution.
- ▶ Since resources available to the autocrat are limited, a better-paid army may mean the curtailing of its size, which would not be an effective strategy to protect the regime.
- ▶ The choice of the optimal army size is trading off these different dimensions.

Main results with endogenous army size

Let us define two thresholds of army size:

- The minimum size of army below which it is unable to defeat a clerics-led rebellion: *the rebellion-proof threshold* (RPT).
- The minimum size of army below which it is unwilling to make a coup: *the coup-proof threshold* (CPT).

Then:

- ▶ When $RPT < CPT$, the autocrat chooses any army size comprised in the interval $[RPT, CPT]$. This corresponds to ***exclusive co-option*** (of the military).
- ▶ When $RPT > CPT$, the autocrat can choose (i) an army size corresponding to CPT, or a size comprised between CPT and RPT: this corresponds to ***double co-option***. Or, (ii) a size equal to RPT, which corresponds to ***exclusive co-option***.

Main results with endogenous army size

► Intuition behind the case $RPT < CPT$:

The autocrat does not need a strong army to counter the threat of a rebellion instigated by the clerics (a relatively low RPT means; f.ex., that the autocrat's legitimacy is relatively high). His best choice is zero co-option of clerics, a moderately-sized army, and a reform mix essentially driven by the preference of the military. Once the threat of a religious rebellion is under control ($M > RPT$), the autocrat is indifferent to the optimal size of the army as long as it remains below CPT.

Main results with endogenous army size

► Intuition behind the case $RPT > CPT$:

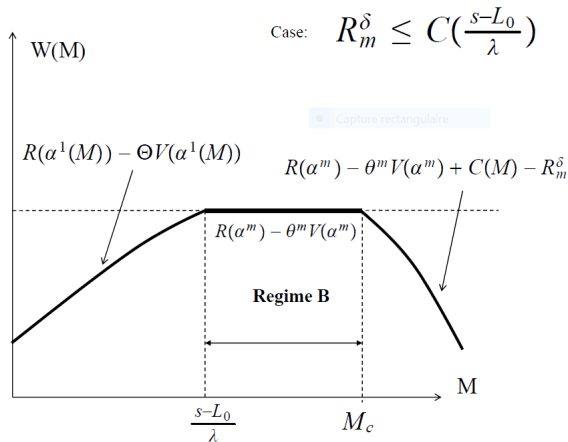
The autocrat needs a strong army to defeat a popular rebellion, but a strong army is a threat to his power, which would apparently justifying large perks to the military. Depending on how costly it is to buy off clerics compared to the military, the autocrat either opts for double co-option, or for exclusive co-option with larger army size.

Two polar cases:

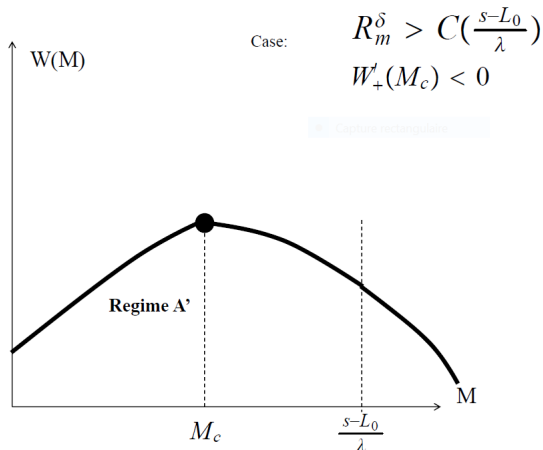
(1°) a rent economy based on huge oil resources (implying low opportunity cost of reform stagnation so that double co-option is the best choice);

(2°) an economy where the autocrat's rent is quite sensitive to reforms (a case for exclusive co-option).

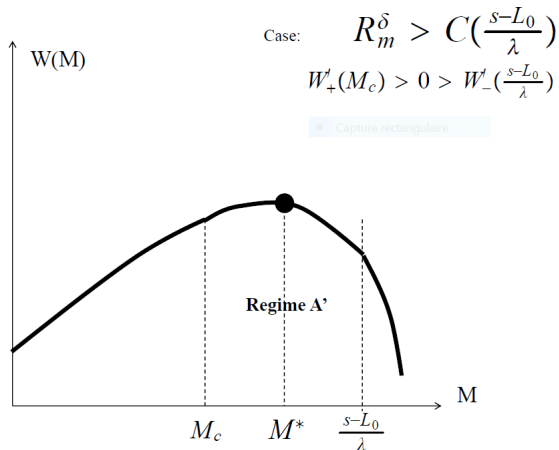
Optimal choice of army size



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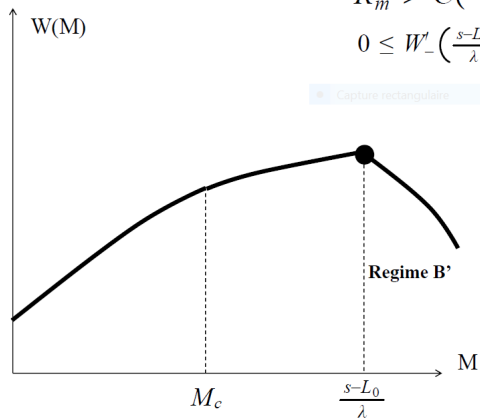


Optimal choice of army size

Case: $R_m^\delta > C\left(\frac{s-L_0}{\lambda}\right)$

$$0 \leq W'_-\left(\frac{s-L_0}{\lambda}\right)$$

• Capture rectangulaire



Endogenous army: comparative statics of equilibrium regimes

The central result is that *an autocrat can deliberately choose to have double co-option rather than exclusive co-option of the military.* When this happens or not can be explored analytically:

- ▶ When the autocrat's legitimacy is high and the clerics' strength is low, there is no religious co-option.
- ▶ Conversely, when his legitimacy is low and the clerics' strength is high, the Ruler would need quite a strong army to defeat a rebellion. To avoid a military coup, he would therefore have to pay high wages to the men in uniform. It is then less costly for him to enlist the support of some clerics while maintaining the army at a reasonable size.

Endogenous army: comparative statics of equilibrium regimes

- ▶ *When the military become better able to run the economy, double co-option becomes more likely. This is because the military are then more tempted to make a coup.*
- ▶ *When the average aversion to reforms among the clerics increases, double co-option is less likely. If their strength is not too large compared to the regime's legitimacy, the autocrat will get rid of religious support, increasing the army size to fully deter a clerics-led rebellion (see Z, Fig. 3).*
- ▶ *When the aversion to reforms of the military decreases, double co-option is again less likely, yet only for intermediate values of the autocrat's legitimacy and the clerics' strength. The double co-option region expands for high enough values of these two parameters.*

Endogenous army: comparative statics of equilibrium regimes

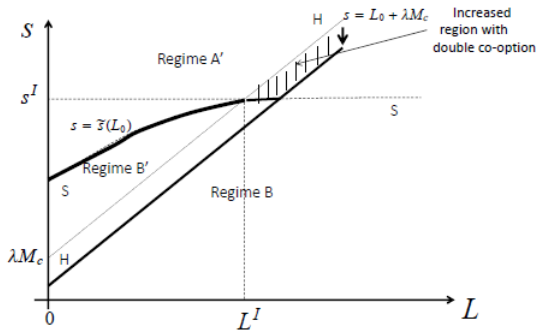
This last result is not immediately intuitive as two effects are at play:

- the military become cheaper to buy off because they are less averse to reforms,
- and they become more expensive because the value of staging a military coup increases.

The first effect that goes through the curve may become diluted when the ruler's legitimacy and the clerics' strength become very large.

Endogenous army: comparative statics of equilibrium regimes

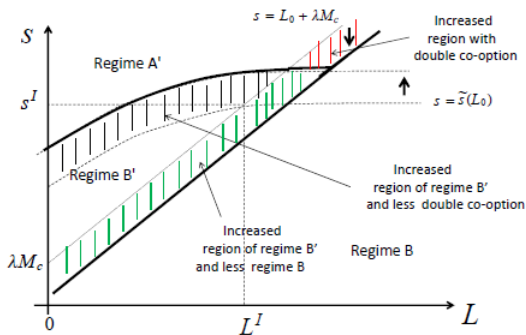
Figure: Equilibrium regimes with endogenous army size



Increase in the Military's ability to rule, δ

Endogenous army: comparative statics of equilibrium regimes

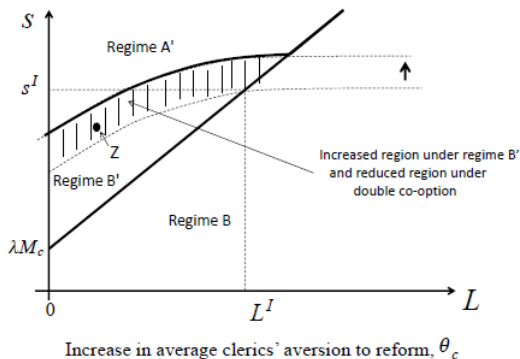
Figure: Equilibrium regimes with endogenous army size



Decrease in military aversion to reform θ^m

Endogenous army: comparative statics of equilibrium regimes

Figure: Equilibrium regimes with endogenous army size



Empirics (1): cross-regime analysis

- ▶ *regimes with strong popular legitimacy of the autocrat:* Ataturk (1923-1938), Nasser (1952-1970), Bourguiba (1957-1987), Qasim (1958-1963).
- ▶ *regimes with a weak autocrat and strong religious leaders:* Saudi kings (1902-...), the Islamic Republic of Iran (1979-...).
- ▶ *regimes with a strong army and strong clerics:* Zia in Pakistan (1977-1988), Sadat (1970-1981) and Mubarak (1981-2011) in Egypt, Boumedienne (1965-1978) and Chadli (1986-1992) in Algeria, Nimeiri (1969-1989) and al-Bashir (1989-2019) in Sudan.

Empirics (1): cross-regime analysis

Table 1 : A schematic characterization of a set of case study regimes : linking empirics with theory

<i>Regimes</i>	L_0	λ	θ^m	θ^c	s	M	α
<i>Exclusive co-optation of the military</i>	high	high	low	low or interm.	low	high ¹	high
<i>Double co-optation (polar case)</i>	low	high or interm.	high	very high	very high	high	very low
<i>Double co-optation</i>	low	interm. or low ²	interm. or low ³	interm.	high	high ⁴	low

(1) With the exception of Tunisia (where M was endogenous). (2) Low in Pakistan and Sudan. Intermediate in Algeria and Egypt. (3) Intermediate (perhaps even high) in Pakistan. Intermediate in Sudan. Low in Algeria and Egypt. (4) With the exception of Sudan (where M was endogenous).

Empirics (2): within-country regime changes

- ▶ Two cases where the ruler dispenses with the clerics after having courted them: Saudi Arabia under bin Salman, and Algeria under Zeroual (1994-1999) and Bouteflika (1999-2014).
- ▶ One case where the ruler courts the clerics after having ignored them: Iraq under the last part of Saddam Husayn's rule (end of 1970s-early 1980s).

Empirics (2): within-country regime changes

► Rough periodisation for double co-optation regimes (non-polar cases):

- Before 1970-75: The prevailing political regime relies on the support of clerics only to a moderate or small extent, making up for low religious allegiance by high loyalty of the military.
- From 1970-75 to the mid-1990s or later: The enfeebled regime increasingly seeks the alliance of the clerics and religious movements.
- From the mid-1990s or later to the present: The regime tends to get rid of religious support, especially when the clerics are not of the pliant type. The military assume a more openly assertive role.

Conclusion: Summing Up

- ▶ Although the autocrat always has an interest in co-opting the military, this is not necessarily true of the clerics.
- ▶ *When the army size is fixed exogenously* at a level smaller than the *no-regime-threat* threshold, the autocrat chooses to co-opt the clerics in addition to the military. In the opposite case, he refrains from courting the clerics.
- ▶ In the range where the double co-option regime prevails, the wages paid to the military and the intensity of reforms increase with the army size while the perks to clerics may either increase or decrease.

Conclusion: Summing Up

- ▶ Under exclusive co-optation of the military, reforms are always more important than under double co-optation, as they are determined by the military's preferences only.
- ▶ When he chooses the intensity of reforms under the double co-optation regime, the autocrat gives either more or less weight to the aversion of the clerics than to the aversion of the military. Overweighing occurs when the army size is below a certain threshold.
- ▶ When the autocrat chooses the size of his army, it is not necessarily the case that only the interests of the military are taken into account:

Conclusion: Summing Up

- ▶ When the *rebellion-proof threshold* exceeds the *coup-proof threshold*, the way the autocrat's utility varies with the size of the army will decide if its optimal size coincides with the former or the latter threshold, or else is lying somewhere between the two. According to intuition, it is when the optimal army size is at the upper level of the *rebellion-proof threshold* that the interests of the clerics are ignored.
- ▶ If the *coup-proof threshold* exceeds the *rebellion-proof threshold*, the autocrat may choose any army size comprised between the two thresholds, and the regime in which only the military are co-opted always prevails.

Conclusion: Summing Up

- ▶ *Empirical foray*: the dominant regime in contemporary Muslim countries is the regime of double co-option. Exclusive co-option of the military has characterized only a few regimes in which the autocrat's intrinsic legitimacy and the loyalty of his army were both very strong while the organizational effectiveness of religious movements was rather low. Radical institutional reforms could then be implemented.
- ▶ Double co-option regimes, which always involve low intrinsic legitimacy of the autocrat, tend to vary significantly depending upon the proportion of clerics seduced and how well they are treated by him.

Conclusion: Summing Up

- ▶ A polar case arises when ultra-conservative clerics are powerful enough to block any institutional reform that they dislike. This situation is more likely when abundant oil resources create the conditions of a rent economy.
- ▶ In other and more frequent situations, however, the clerics are strongly polarized between official clerics who are loyal and even subservient to the autocratic regime and non-official clerics in open opposition to it. The autocrat then resorts to a double-edged tactic: pleasing the official clerics by slowing the pace of reforms, and ensuring the loyalty of the military to be able to put down an opposition instigated by rebel clerics.

Conclusion: What about the Arab Spring?

- ▶ We have assumed that sufficient information is available to the autocrat to enable him to prevent the success of a popular rebellion or of military coups. The theory is thus intrinsically pessimistic since it predicts that autocracies will persist.
- ▶ As recent experiences, such as Egypt, Algeria, Syria, and Sudan, attest, the same clique remains in power. It is a cabal of business oligarchs allied with top military, intelligence and police officers.
- ▶ Even the cooperation of official clerics is pursued.
- ▶ The military may come to the forefront but quickly return to the back seat as soon as the situation is stabilized.