

The Dictator's Playbook

Editor's note

This is an 11 page edited version of the insightful 2011 book The Dictators Handbook, Why Bad Behaviour is almost always Good Politics by Bruce Bueno de Mesquita and Alastair Smith. I've left out most of the author's examples – except those from Russia – and most of the commentary on democracies. I've also substituted "electorate" for the author's "selectorate". One of the main points they make is the necessity of rewarding essential supporters in order to remain in power. To this I would add, in the light of Vladimir Putin, the benefits of murdering defectors, and the strategy of erecting barriers, some to isolate challengers, others to insulate the leader. Charles Dobson / The Citizen's Handbook / citizenshandbook.org

The Rules of Politics

We can easily grasp most of what goes on in the political world if we give up one assumption: the idea that leaders can lead unilaterally. No leader is monolithic. If we are to make any sense of how power works, we must stop thinking that North Korea's Kim Jong Il can do whatever he wants. We must stop believing that Adolf Hitler or Joseph Stalin or Genghis Khan or anyone else is in sole control of their respective nation. Or that Enron's Kenneth Lay or British Petroleum's Tony Hayward were in sole control of their companies. All of these notions are flat out wrong because no emperor, no king, no sheikh, no tyrant, no CEO, no family head, no leader whatsoever can govern alone.

No one has absolute authority. All that varies is how many backs have to be scratched and how big is the supply of backs available for scratching.

Three Political Dimensions

For leaders, the political landscape can be broken down into three groups of people: the nominal electorate, the real electorate, and the winning coalition.

The nominal electorate includes every person who has at least some legal say in choosing their leader. In the United States it is everyone eligible to vote, but at the end of the day no individual voter has a lot of say over who leads the country.

The second stratum of politics consists of the real electorate. This is the group that *actually* chooses the leader. In China it consists of all voting members of the Communist Party; in Saudi Arabia it is the senior members of the royal family; in Great Britain, the voters backing the majority party.

The third and most important group is the winning coalition. These are the people whose support is essential if a leader is to survive in office. In the USSR the winning

coalition consisted of a small group of people inside the Communist Party who chose candidates and who controlled policy.

A simple way to think of these three groups is: *interchangeables*, *influentials*, and *essentials*. These groups provide the foundation of all that's to come in the rest of this book, and, more importantly, the foundation behind the working of politics in all organizations, big and small. Differences in the sizes of these three groups give politics a three-dimensional structure that decides almost *everything* that happens.

Rules Ruling Rulers

The first step in understanding how politics really works is to ask what kinds of policies leaders spend money on. Do they spend it on *public goods* that benefit everyone? Or do they spend mostly on *private goods* that benefit only a few? The answer, for any savvy politician, depends on how many people the leader needs to keep loyal—that is, the number of essentials in the coalition.

In a democracy, or any other system where a leader's critical coalition is excessively large, it becomes too costly to buy loyalty through private rewards. The money has to be spread too thinly. So more democratic types of governments, dependent as they are on large coalitions, tend to emphasize spending to create effective public policies that improve general welfare. By contrast, dictators, monarchs, military junta leaders, and most CEOs all rely on a smaller set of essentials.

A smaller set encourages stable, corrupt, private-goods-oriented regimes. The choice between enhancing social welfare or enriching a privileged few is not a question of how benevolent a leader is. Honorable motives might seem important, but they are overwhelmed by the need to keep supporters happy, and the means of keeping them happy depends on how many need rewarding.

Staying in power, requires the support of others, forthcoming only if a leader provides his essentials with more benefits than they might expect under different leadership. When essential followers expect to be better off under the wing of some political challenger, they desert.

Incumbents have a tough job, but have a huge advantage over rivals when they rely on relatively few essentials, and the pool of potential replacements is large. Lenin designed precisely such a political system in Russia after the revolution. This explains why, from the October 1917 Revolution through to Gorbachev's reforms in the late 1980s, only one Soviet leader, Nikita Khrushchev, was successfully deposed in a coup. All the other Soviet leaders died of old age or infirmity. Khrushchev failed to deliver what he promised to his cronies.

For political survival in any system there are five basic rules for leaders:

Rule 1: Keep your winning coalition as small as possible. A small coalition allows a leader to rely on very few people to stay in power. Fewer essentials equals more control and contributes to more discretion over expenditures.

Rule 2: Keep your nominal electorate as large as possible. A large nominal electorate permits a big supply of substitute supporters to put the essentials on notice that they should be loyal and well behaved or else face being replaced.

Rule 3: Control the flow of revenue. It's always better for a ruler to determine who eats than it is to have a larger pie from which the people can feed themselves. The most effective cash flow for leaders is one that makes lots of people poor and redistributes money to keep their supporters wealthy.

Rule 4: Pay your key supporters just enough to keep them loyal. Remember, your backers would rather *be* you than be dependent on you. Your big advantage over them is that you know where the money is and they don't. Give your coalition just enough so that they don't shop around for someone to replace you and not a penny more.

Rule 5: Don't take money out of your supporter's pockets to make the people's lives better. The flip side of rule 4 is not to be too cheap toward your coalition of supporters. If you're good to the people at the expense of your coalition, it won't be long until your "friends" will be gunning for you.

Coming to Power

To come to power a challenger need only do three things. First, he must remove the incumbent. Second, he needs to seize the apparatus of government. Third, he needs to form a coalition of supporters sufficient to sustain him as the new incumbent. Each of these actions involves its own unique challenges, the relative ease of which differs between democracies and autocracies.

There are three ways to remove an incumbent leader. The first, and easiest, is for the leader to die. If that convenience does not offer itself, a challenger can make an offer to the essential members of the incumbent's coalition that is sufficiently attractive that they defect to the challenger's cause. Third, the current political system can be overwhelmed from the outside, whether by military defeat by a foreign power, or through revolution and rebellion, in which the masses rise up, depose the current leader, and destroy existing institutions.

While rebellion requires skill and coordination, its success ultimately depends heavily upon coalition loyalty, or more precisely, the absence of loyalty to the old regime. Hosni Mubarak's defeat by a mass uprising in Egypt is a case in point. The most critical factor behind Mubarak's defeat in February 2011 was the decision by Egypt's top generals to allow demonstrators to take to the streets without fear of military suppression. And why was that the case? Cuts in US foreign aid to Egypt combined with serious economic constraints that produced high unemployment, meant that Mubarak's coalition was likely underpaid and the people believed the risks and costs of rebellion were smaller than normal. Revolutions occur when those who preserve the current system are sufficiently dissatisfied with their rewards that they are willing to look for a new patron

Once the old leader is gone, it is essential to seize the instruments of power, such as the treasury, as quickly as possible. This is particularly important in small coalition systems. Anyone who waits will be a loser in the competition for power. Speed is of the essence.

Buying loyalty is particularly difficult when a leader first comes to power. When deciding whether to support a new leader, prudent backers must not only think about how much their leader gives them today. They must also ponder what they can expect to receive in the future, and recognize that they might not be kept on for long. Allaying supporters' fears of being abandoned is a key element of coming to power. Of course, supporters are not so naïve that they will be convinced by promises that their position is secure. But such political promises are much better than revealing your true plans. Once supporters hear they are going to be replaced, they will turn on a new leader.

Mortality as a Threat

First, on the list of risks of being deposed is the inescapable fact of mortality. Dead leaders cannot deliver rewards to their coalition. Dying leaders face almost as grave a problem. If essential backers know their leader is dying, then they also know that they need someone new to assure the flow of revenue into their pockets. That's a good reason to keep terminal illnesses secret since a terminal ailment is bound to provoke an uprising, either within the ranks of the essential coalition or among outsiders who see an opportunity to take control of the palace. Because rumors of impending death often induce political death, spreading a rumor of terminal illness may help to remove a dictator from office.

The sad truth is that if you want to come to power in an autocracy you are better off stealing medical records than you are devising fixes for your nation's ills.

Bankruptcy as a Threat

A dictator must always remain solvent. If he runs out of money with which to pay his supporters, it becomes far easier for someone else to make coalition members an attractive offer. Financial crises are an opportune time to strike. The Russian Revolution is often portrayed through the prism of Marxist ideology and class warfare. The reality might be much simpler. Kerensky's revolutionaries were able to storm the Winter Palace in February 1917 because the army did not stop them. And the army did not bother to stop them because the czar did not pay them enough. The czar could not pay them enough because he foolishly cut the income from one of his major sources of revenue, the vodka tax, at the same time he fought World War I.

Shrinking the Coalition

There is a common adage that politicians don't change the rules that brought them to power. This is false. They are ever ready and eager to reduce coalition size. What politicians seek to avoid are changes that increase the number of people to whom they are beholden. Yet much as they try to avoid them, circumstances do arise when institutions must become more inclusive. This can make autocrats vulnerable because the coalition they have established and the rewards they provide are then no longer sufficient to maintain power.

Under the old Soviet system, Boris Yeltsin had no chance of rising to power. He blundered in trying to end Communist Party members' access to special stores, privileged access to the best universities, and other benefits not shared by working. Sure, that was popular with the masses but the masses didn't have much say in choosing who ran the Soviet Union—Party members did.

By the late 1980s the Soviet economy had stagnated. This left the recently promoted Soviet leader, Gorbachev, with a serious dilemma. Facing the specter of running out of money, he needed to loosen control over the people, freeing their suppressed entrepreneurial potential.

Economic liberalization wasn't a simple matter for the Soviets since allowing people to communicate, coordinate, and interact can facilitate mass political protest. But Gorbachev was between a rock and a hard place. Without a stronger economy he could not pay party members their usual rewards, but to get a stronger economy he had to risk his political control. Gorbachev rolled the dice and ultimately lost.

First Gorbachev faced a coup from within his own coalition. In 1991, harder line antireform party members, fearful of losing their special privileges, deposed Gorbachev and took control of the government. But then Boris Yeltsin, standing atop a tank in Red Square, ensured that the Soviet military would not fire on protestors who wanted reform. The mass movement, with Boris Yeltsin at its head, overthrew the coup that wanted to return to the Soviet Union's more repressive policies of the

past. The mass movement returned Gorbachev ever so briefly to power, leaving him with a much diminished rump Soviet Union, and paving the way for the dissolution of the Soviet empire just a few months later.

Yeltsin, having gotten over his privileges fiasco, understood that he could not forge a winning coalition out of the inner circles of the Communist Party, but he could win over the apparatchiks by promoting greater budgetary autonomy for the Russian Republic within the Soviet structure. They could become richer and more powerful in Russia than they had been in the Soviet Union. In this way, Yeltsin picked off essential members of Gorbachev's coalition and made himself a winner. Yeltsin was, as it turned out, much better at working out how to come to power than he was at governing well, but that is a tale for another time.

Managing Protest

In autocracies the people get a raw deal. Their labor provides tax revenues that leaders lavish on essential core supporters. Leaders provide them little beyond the essential minimal health care, primary education, and food to allow them to work. Life for people in most small-coalition regimes is nasty, solitary, poor, brutish, and short.

So why don't they always rise up against their government? The answer resides in finding a crucial moment, a tipping point, when the future looks sufficiently bad that it is worth risking the cost of rebellion. People must believe that those few who first step forward have a decent chance of success and a decent chance of making the lives of ordinary people better. If a regime excels at brutal repression, at convincing people that stepping out of line means incredible misery and even death, it can prevent rebellion.

Before deciding to gamble on the promises of revolutionaries, each prospective demonstrator must judge the costs and the risks of rebellion. That is why middle-of-the-road dictators, like Cuba's Fulgencio Batista, Tunisia's Ben Ali, Egypt's Hosni Mubarak, the Soviet Union's Gorbachev are more likely to experience a mass uprising than the worst of their fellow autocrats.

That is not to say that when the people rise up they are right in thinking life will be better. Many revolutions end up simply replacing one autocracy with another. On some occasions the successor regime can actually be worse than its predecessor.

Shocks Raise Revolts

Shocks that trigger protest come in many forms. On rare occasions protests may happen spontaneously, more often they require an event to shake up the system. At the collapse of the communist states in Eastern Europe in 1989, contagion played a major role. Once one state fell, the people in the surrounding countries realized their

state could be vulnerable. Free elections in Communist Poland triggered protests in East Germany. When security forces refused to obey Erich Honecker's order to break up demonstrations, protests grew. Successful protest in Germany spawned further demonstrations in Czechoslovakia. As protests grew and more states began to fall, it provided convincing signs of success to people living in countries still under communist control.

A massive natural disaster, an unanticipated succession crisis, or a global economic downturn that drives the autocrat's local economy to the brink of bankruptcy can also provide a rallying cry for protesters.

Other shocks can be "planned"; that is, events or occasions chosen by an autocrat who misjudges the risks involved. One common example is a rigged election. Dictators seem to like to hold elections. Whether they do so to satisfy international pressure and gain more foreign aid, to dispel domestic unrest, or to gain a misleading sense of legitimacy, their preference is to rig the vote count. Elections are nice, but winning is nicer. Still, sometimes the people seize the moment of an election to shock the incumbent, voting so overwhelmingly for someone else that it is hard to cover up the true outcome.

Sometimes the shocks that spark revolt come as a total surprise. Natural disasters, while bringing misery to the people, can also empower them. One frequent consequence of earthquakes, hurricanes, and droughts is that vast numbers of people are forced from their homes. If they are permitted to gather in refugee camps, then they have the opportunity to organize against the government. On the morning of September 19, 1985, a large earthquake occurred about 350 kilometers from Mexico City causing enormous devastation throughout the city. The government did virtually nothing, leaving a quarter million people to rescue themselves. Forced together into crowded camps, they shared their disillusionment with the government. Organizing a protest rally was suddenly relatively easy. Ready and willing participants were on hand and had little to lose. With the government largely absent, these social groups rapidly deployed as large antigovernment demonstrations. Unable to oppose these groups, the government sought to accommodate them. It is widely believed they played a key role in Mexico's democratization.

War Fighting

Leaders of democracies, who depend on lots of essential backers, only fight when they believe victory is nearly certain. Otherwise, they look for ways to resolve their international differences peacefully. Leaders who rely only on a few essential supporters, in contrast, are prepared to fight even when the odds of winning are not particularly good. Democratic leaders try hard to win if the going gets tough.

Autocrats make a good initial effort and if that proves wanting they quit. These strategies are clearly in evidence if we consider the Six Day War in 1967.

As its name tells us, the Six Day War was a short fight, begun on June 5, 1967, and ending on June 10. On one side were Syria, Egypt, and Jordan; on the other was Israel. By the end of the war, Israel had captured the Sinai from Egypt; Jerusalem, Hebron, and the West Bank from Jordan; and the Golan Heights from Syria.

To understand the war and how our way of thinking explains it, we must first comprehend some basic facts about the adversaries. The combined armed forces of the Arab combatants on the eve of war came to 360,000, compared to Israel's 75,000. Although the Arab side had 83 percent of the soldiers, they spent considerably less per soldier than did the Israelis.

Remember that large-coalition leaders must keep a broad swath of the people happy, including those who are soldiers. Although conflict involves putting soldiers at risk, democrats do what they can to mitigate such risk. In autocracies, foot soldiers are not politically important. Autocrats do not waste resources protecting them.

The difference in expenditures per soldier is greater even than the numbers alone indicate. The Israeli military, like the military of democracies in general, spends a lot of its money on buying equipment that is heavily armored to protect soldiers. Better training and equipment enable democracies to leverage the impact of each soldier so they can achieve the same military output while at the same time putting few soldiers at risk. The Egyptian military's tanks, troop transports, and other equipment were lightly and cheaply armored. They preferred to spend money on private rewards with which to ensure the loyalty of the generals and colonels.

In a small-coalition regime, the military serves two crucial functions. It keeps the incumbent safe from domestic rivals and it tries to protect the incumbent's government from foreign threats. In a large-coalition government, the military pretty much only has to worry about the latter. Sure, it might be called upon to put down some massive domestic unrest from time to time, but its job is to protect the system of government and not the group running government. Its job description does not include taking out legitimate domestic political rivals. Autocrats, of course, don't recognize any rivals as legitimate. To keep rivals at bay, the soldiers must have their rewards. If they don't, they might turn their guns on the leadership that employed them.

Why did the Arabs lose the 1967 war? The difference between Israel and the Arabs lay in their approach to war. In Israel, everybody takes part in war, but in the Arab countries only the army. When war breaks out, everyone in Israel goes to the front and civilian life dies out. While in Syria, many people did not find out about the 1967 war until it was over.

When it comes to fighting wars, institutions matter at least as much as the balance of power. The willingness of democracies to try harder goes a long way to explaining why seemingly weaker democracies often overcome seemingly stronger autocracies. Tiny Israel has repeatedly beaten its larger neighbors. The miniscule Republic of Venice survived for over a thousand years until it was finally defeated by Napoleon in 1797. The smaller, but more democratic government of Prussia defeated the larger Austrian monarchy in the Seven Weeks War in 1866. History is full of democratic Davids beating autocratic Goliaths.

Who Survives War

Democrats are much more sensitive to war outcomes than autocrats. Indeed, even victory in war does not guarantee a democrat's political survival. For instance, within eighteen months of defeating Saddam Hussein, and over 80 percent approval ratings, President George Herbert Walker Bush was defeated at the polls by Bill Clinton. Similarly, British voters threw Winston Churchill out of office despite his inspired leadership during World War II.

Autocrats are much less sensitive to defeat. Despite defeat in the First Gulf War and a costly and inconclusive result in the Iran-Iraq war (1980–1988), Saddam Hussein outlasted four US presidents (Carter, Reagan, Bush, and Clinton). Only defeat in the Second Gulf War cost him his job, and that war was fought primarily to remove him. Unless they are defeated by a democracy seeking policy concessions, autocrats can generally survive military defeat provided that they preserve their resources.

The Peace Between Democracies

Democracies hardly ever (some might even say never) fight wars with each other. This is not to say they are peace loving. They are not shy about fighting other states. But the reasoning behind the tacit peace between democracies provides some clues to how the world could become more peaceful.

Democratic leaders need to deliver policy success or they will be turned out of office. For this reason they only fight wars when they expect to win. Of course they may turn out to be wrong, in which case they then double down to turn the fight in their direction – as the US did in Vietnam.

If we are correct, we should hardly ever witness two large-coalition regimes fighting against each other. According to our reasoning, democrats will only fight when they believe they are almost certain that they will win. As long as a large coalition leader believes that his dispute is unlikely to escalate to war, he can move partially up the escalation ladder, pressing his foe into backing down or else backing down himself, and negotiating if he concludes that the other side is prepared to fight and that his own prospects of victory are too small to justify fighting. Autocrats, as

we saw, don't need to think they have a great chance of winning. They are prepared to take bigger risks because they believe the personal consequences of defeat are not as bad as the personal consequences of not paying off essential supporters.

What is to be done?

For some time, the editors of *The Citizens Handbook* have been thinking about broad solutions to getting rid of dictators. One idea that keeps coming up is the notion of providing ways to encourage dictators to retire from the business of making misery. We suggest a Last Resort, an island somewhere in the South Pacific where dictators could retire with some portion of their ill-gotten gains to lead a life of luxury free from the threat of trial, imprisonment and death. The United Nations would need to lease an uninhabited location and make an arrangement to provide paid staff. The Last Resort would be self-governed, but the international community would need to provide protection against external threats, especially from those wishing to exact retribution for the dictator's prior acts.

The Dictator's Handbook concludes on a similar tack:

The UN could prescribe a process for transition from dictatorship to democracy. At the same time it could stipulate that any dictator facing the pressure to grant freedom to the people would have a brief, fixed period of time, say a week, to leave the country in exchange for a blanket perpetual grant of amnesty against prosecution anywhere for crimes committed as his nation's leader. There is clear precedence for such a policy. It is common practice to give criminals immunity if they agree to testify. Some victims are bound to resent that the perpetrator of heinous acts goes unpunished. Unfortunately, the alternative is to leave the dictator with few options but to gamble on holding onto power through further murderous acts.

The incentives to encourage leaders to step aside could be further strengthened if, in exchange for agreeing to step down quickly, they would be granted the right to retain some significant amount of ill-gotten gains, and safe havens for exile where the soon-to-be ex-leadership and their families can live out their lives in peace.

Offering such deals might prove self-fulfilling. Once essential supporters believe their leader might take such a deal, they themselves start looking for his replacement, so even if the leader had wanted to stay and fight he might no longer have the support to do so. The urge for retribution is better put aside to give dictators a reason to give up rather than fight. Muammar Qaddafi had none of these opportunities and so faced a stark choice: live the life of the hunted or fight to the death. He chose fight on to the end, to the detriment of the Libyan people.

Additional choices could be provided. Britain's transition from monarchy to constitutional monarchy provides a valuable lesson. Leaders want to survive in office and maximize their control over money. But what if their choice is to trade the power

of office in exchange for the right to the money? What if they had the option of keeping a title and some portion of their wealth in return for handing power over to a properly elected government of the people, as William and Mary and the subsequent Hanoverian dynasty did in England. This is an option the Saudi Arabian royal family, the Jordanian royal family, and the royal families of the Emirates might well contemplate as a better option than trying to crush rebellion. Revolutionaries might fail today or tomorrow, but leaders have only to lose once and by then it will be too late for them to negotiate their way to a soft landing.