

# Symbolic Unity, Dynastic Continuity, and Countervailing Power: Monarchies, Republics, and the Economy

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**W**e investigate the implications of the persistence of traditional patterns of state organization by examining the relationship between property rights and the economy for monarchies and republics. We argue that, relative to republics, monarchies protect property rights to a greater extent by reducing the negative effects of internal conflict, executive tenure, and executive discretion. In turn, a better protection of property rights results in greater standards of living. Using panel data on 137 countries between 1900 and 2010, we formulate and test a model with endogenous variables. We find strong evidence that monarchies contribute to a greater protection of property rights and higher standards of living through each of the three theoretical mechanisms compared to all republics. We also find that democratic-constitutional monarchies perform better than non-democratic and absolute monarchies when it comes to offsetting the negative effects of the tenure and discretion of the executive branch. We discuss the implications of the persistence of traditional patterns of political authority and rule for political sociology and economic sociology.

## Introduction

Monarchies in the contemporary world are one typical example of the persistence of traditional patterns of authority, government, and organization of the state, which constitutes a central topic of research in political sociology. Constitutional monarchies, in particular, are among the “amalgams of tradition and modernity” that Reinhard Bendix ([1964] 1996, 11) thought characterized modern industrial societies. Monarchies, and their role in the evolution of societies and economies, remain an understudied area in political sociology, economic sociology, and political science (Cheibub, Gandhi, and Vreeland 2010; Gandhi and Przeworski 2006; Stepan, Linz, and Minoves 2014). A monarchy is, in its purest form, “a state ruled by a single absolute hereditary ruler” (Bogdanor

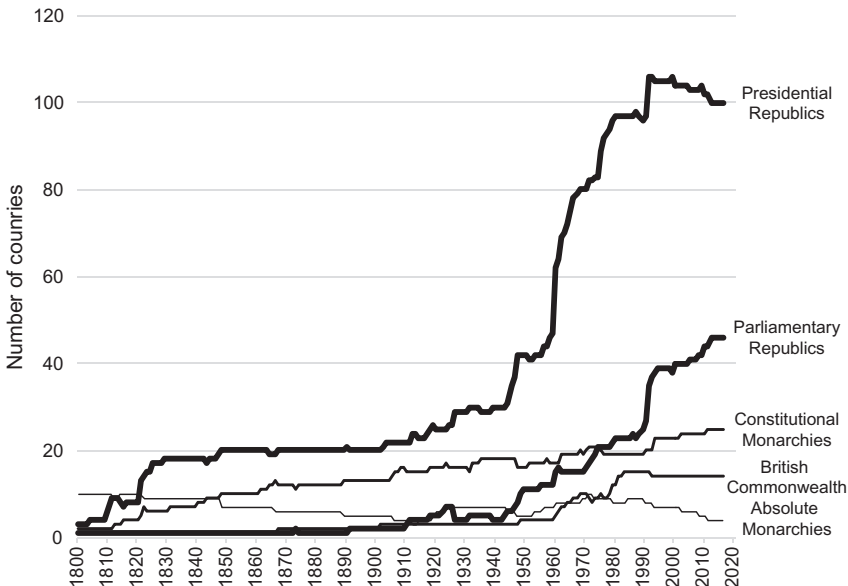
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1995, 1), although many of them have become constitutional and democratic. During the 1960s, the modernization paradigm relegated monarchies to the fringes of scholarship, ignoring the continuing existence of monarchies around the world, and dismissing them as regimes aligned with traditional values (Apter 1965; Rostow 1960).

Monarchies are surprisingly prevalent around the world. In 1800 there were 11 monarchies in the world. As of the end of 2016, there were 43 monarchies, including those in the British Commonwealth, or 29 excluding them (see figure 1). Meanwhile, the number of republics increased much faster, and 21 countries abolished the monarchy. Among monarchies, the constitutional kind has been more common than the absolute type since 1848.

The impact of republics and monarchies on the economy has received much less attention in the literature than the link between democracy and economic outcomes (e.g., Barro 1996; Boix 2011; Carruthers and Ariovich 2004; Haggard and Kaufman 1995; Olson 1993; Przeworski 1991; Przeworski and Limongi 1993). Most of the empirical evidence on the economic role of the monarchy focuses on seventeenth-century England (North and Weingast 1989; Weingast 2005), or on the period of European trade-driven hegemony before the Industrial Revolution (Acemoglu, Johnson, and Robinson 2001, 2005; De Long and Shleifer 1993). The argument in this literature is that institutional constraints on the monarchy resulted in a better protection of property rights and higher standards of living. The only previous study that included a comparison of economic outcomes for monarchies and republics in the contemporary world found no significant differences in a biased sample of 27 of the richest countries

**Figure 1. Republics and monarchies, 1800–2016**



**Source:** Various Internet websites for each country.

(Bjørnskov and Kurrild-Klitgaard 2014). Other studies assessed property rights protections without examining the economic implications, and during the 1984–2007 period only, finding that autocratic (i.e., non-democratic) monarchies protect property rights better than other types of dictatorships (Knutsen and Fjelde 2013).

The descriptive evidence on monarchies is mixed. During the twentieth century, some monarchies attained high standards of living for their populations, including Belgium, Denmark, Holland, Luxembourg, Norway, Spain, Sweden, the United Kingdom, and Japan. Some high-performing emerging economies like Malaysia and Thailand are also monarchies. Other monarchies have very high per capita incomes because they are rich in natural resources, as in the cases of Brunei, Kuwait, Saudi Arabia, and the emirates of the Persian Gulf (Wright 2008). Not all monarchies, however, are instances of high levels of economic development, as the cases of Bhutan, Cambodia, Jordan, Morocco, Oman, Samoa, Swaziland, and Tonga illustrate. Adjusting for the tendency of better-performing monarchies to survive, why do some monarchies attain a higher standard of living than others? Do monarchies deliver better economic outcomes than republics? Which are the specific theoretical mechanisms that enable monarchies to be a positive influence? These are the questions analyzed in this paper.

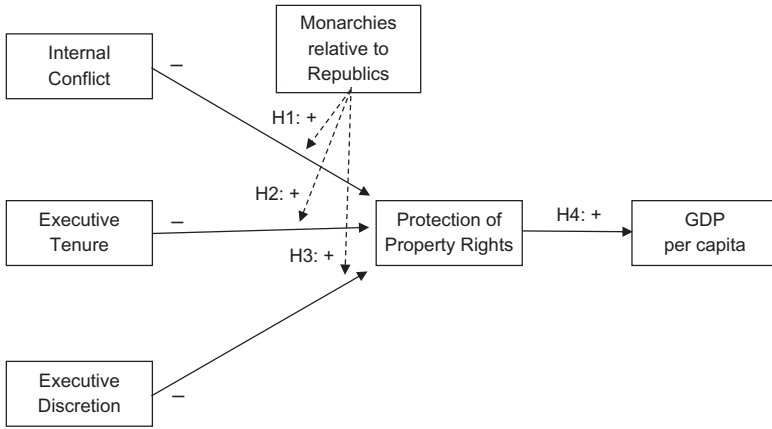
Our basic argument proceeds in three steps. First, we follow the literature in expecting the protection of property rights to lead to better economic outcomes. Second, we argue that property rights are less protected under conditions of internal conflict, longer executive tenure, and an executive branch with policy-making discretion. Third, we propose that monarchies are potentially in a better position to protect property rights: (1) they contain internal conflict by virtue of being a symbol of unity; (2) they mitigate the negative effect of executive tenure through dynastic continuity; and (3) they offset the discretion of the executive branch by providing for an additional veto point. Not all monarchies are equally successful, and many of them throughout history have performed far worse than republics. Figure 2 shows our theoretical model in schematic form.

## The Monarchy as a Form of Government

The conventional wisdom in political sociology holds that economic and political development results in “modern” forms of government (Apter 1965; Lipset 1959; Meyer et al. 1997; Rostow 1960). Accordingly, monarchies are a relic of the past, a traditional and oftentimes oppressive type of rule inconsistent with modern society. In his classic book *Political Man*, Seymour Martin Lipset ([1960] 1981, 78) poignantly wrote:

And thus we have the absurd fact that ten out of the twelve stable European and English-speaking democracies are monarchies. Great Britain, Sweden, Norway, Denmark, the Netherlands, Belgium, Luxembourg, Australia, Canada, and New Zealand are kingdoms, or dominions of a monarch, while the only republics which meet the

**Figure 2. Three mechanisms affecting the protection of property rights, and the moderating effect of monarchies versus republics**



conditions of stable democratic procedures are the United States and Switzerland, plus Uruguay in Latin America.

In a similar vein, the historian W. M. Spellman (2001, 10) noted that “the idea of monarchy as a plausible model of public authority appears to many as anachronistic at best, preposterous and irrational at worst.”

The advent of mass politics and the trend toward secularization in the nineteenth century actually consolidated kingship as a form of government throughout Europe. In fact, “the popularity of the monarchy reached new heights at the turn of the [twentieth] century, only to be discredited during the course of the First World War” (Spellman 2001, 225). Many sovereigns adapted to the changing times by effectively relinquishing political power to elected officials, that is, by agreeing to lead a constitutional monarchy, “a state which is headed by a sovereign who reigns but does not rule” (Bogdanor 1995, 1). Meanwhile, absolute monarchs held on to power through repression, extensive rent redistribution, foreign support, and modest political reforms (Cheibub, Gandhi, and Vreeland 2010; Gandhi and Przeworski 2006).

## Monarchies, Legalization, and Property Rights

Historically, monarchies adopted absolutist approaches to governance that suppressed citizens’ rights, including various forms of oppression and repression. Most scholars assume that monarchies are inimical to property rights and the economy because of the sovereign’s capacity to arbitrarily confiscate property, thus reducing the incentives for investment and innovation. Economic historians argue that countries such as England or the Netherlands economically outperformed others like France, Portugal, or Spain from 1600 to 1800 because of institutional checks and balances constraining the ability of the monarch to

change debt or tax policy (Acemoglu, Johnson, and Robinson 2005; De Long and Shleifer 1993; North and Weingast 1989).

The view of the monarchy as an unmitigated absolutist tyranny subject to few, if any, institutional limits is an oversimplification that ignores the embeddedness of monarchical rule in Roman, Christian, Islamic, Buddhist, or Confucian custom and law, as sociologists and political scientists have recognized (for a review, see Bendix [1978]). The economic perspective also neglects the substantial variation in institutional arrangements under which monarchs have ruled in various parts of the world, given that those traditions both legitimized royal authority and limited it to varying degrees and in different ways. In monarchical France, for instance, “due to conventions associated with feudalism and Roman law the king could not simply seize his subjects’ property,” argues political scientist Zhand Shakibi (2007, 19). “In this regard France differed from pre-Petrine Russia, where property rights were significantly weaker.” In fact, “the [French] political system was a complex set of institutions and corporate bodies enjoying legal status which the king would have trouble openly infringing” (Shakibi 2007, 19). Another instance is “governance by estates” or fragmented royal authority before the Industrial Revolution, which was more protective of property rights than regular monarchies (De Long and Shleifer 1993).

Sociologists have long adopted a more nuanced perspective acknowledging the variations in monarchical rule throughout history. Max Weber ([1922] 1978, 248) observed that “in the case of hereditary charisma, recognition is no longer paid to the charismatic qualities of the individual, but to the legitimacy of the position he [*sic*] has acquired by hereditary succession. This may lead in the direction either of traditionalization or legalization.” In many cases, such a process of legalization turned monarchies into regimes in which there were limits to the sovereign’s authority. “Rulers were typically torn between the need to delegate authority and the desire not to lose it.... All three factors—religious sanction of royal authority, internal contentions over the distribution of authority, and intrusion of outside powers—helped to shape medieval governance,” as the sociologist Reinhard Bendix (1978, 7) painstakingly documented.

## The Protection of Property Rights under Monarchies and Republics

Sociologists view property rights as a fundamental social and economic institution that underlies class formation, social stratification, and economic action. The relationship between the ownership of economic assets and the state is a central theme in sociology given that “in any complex society, one of the state’s inescapable tasks is to establish a regime of property rights” (Block 2005, 700). As Andrew Walter has put it, property rights “are a crystallized expression of varied roles of the state, politics, law, and culture. They are central in shaping patterns of social inequality and economic performance” (Walder 2011, 510). The most important property rights include the right of control of property, the

right to income from the property, and the right of transfer of the property. No market economy can operate without them. Yet, states regulate and protect property rights in different ways and to varying degrees (Campbell and Lindberg 1990; Carruthers and Ariovich 2004; Fligstein 1996; Przeworski 1991; Stark and Bruszt 1998).

The literature on property rights has identified three basic mechanisms that affect their level of protection, namely, internal conflict, executive tenure, and constraints on the executive branch of government. In the sections that follow, we analyze how monarchies are variously effective at protecting property rights by mitigating the effects of those three mechanisms.

### ***Monarchs as Symbols of Unity***

The literature has documented that whenever internal conflict due to political, ethnic, religious, or linguistic tensions flares up, established rights tend to come under threat (Keefer and Knack 2002). One way in which societies seek to overcome such divisions is by engaging in a process of nation-building. Members of a nation share certain origins, traditions, and cultural norms and values, often including a language, and in some cases an ethnicity and a religion (Anderson 1983). Processes of state-building, however, do not always lead to homogeneous nation-states. Dual identities, internal mistreatment of minorities, or external forces such as immigration frequently generate tensions inside states (Linz 1993). Processes of state-building display an intrinsic tendency to produce internal conflict as different social classes seek to improve their influence and power (Mann 1986).

Historically, monarchies offered a symbol of national unity, which may be more or less successful at reducing internal conflict. In the United Kingdom, for instance, the monarchy continues to underpin the effort to “invent a British tradition” (Cannadine 1983; Olechnowicz 2007), although it remains to be seen whether it will be sufficient to address income and wealth inequality, or to contain Scottish, Northern Irish, and Welsh separatist movements. Even in more homogeneous and egalitarian societies such as Sweden, politicians frequently appeal to the sovereign as a symbol of unity. This Nordic country boasts a long democratic tradition under the monarchical form of government stretching from the late nineteenth century to the present time. In the mid-1970s, a committee charged with examining the role of gender in royal succession argued that a monarch “can also, it is worth pointing out, more easily fulfil his [*sic*] task of being a unifying symbol of the nation” (quoted in Åse 2013, 182). Sweden put in place a system of government in which the sovereign became a symbol of national unity, utterly depoliticized as an individual and head of state. The constitutional settlement involved emphasizing broad agreements among the country’s political forces concerning the key institutions and commitments of the state. The Social-Democratic prime minister and main architect of the reform, Olof Palme, argued that “for democracy, it is of great value that the work leading up to a new constitution has not been characterized by internal conflicts but

rather by an ambition to come to an agreement on fundamental issues” (quoted in Åse 2013, 178).

The literature also documents that monarchies sometimes help cope with major regime transitions so that conflicts are overcome and stability is preserved. Research based on large samples of countries shows that monarchies help reduce transitional costs by emphasizing unity (Bjørnskov and Kurrild-Klitgaard 2014, 472). For instance, the case of Spain has received considerable scholarly attention in terms of both the continuities in the process of transition to democracy during the late 1970s, and the sequencing of political and economic reforms (Bermeo 1994), with the crown playing a key role in addition to the moderation of leftist parties and labor unions throughout the process (Conversi 2002; Linz and Stepan 2011). The continuity of the monarchy in Spain was a major factor in preserving property rights during the political transition. In Portugal, by contrast, a comparable country that made the transition from dictatorship to democracy at roughly the same time but had become a republic back in 1910, as many as 244 banks and large enterprises were nationalized during the transition to democracy (Chilcote 2010).

The role of monarchies in channeling conflict in the Middle East and North Africa was a central aspect of the Arab Spring. “Regimes with sultanistic features—Muammar Qadhafi’s Libya or Bashar al-Assad’s Syria—have no peaceful ‘exit option’” (Stepan, Linz, and Minoves 2014, 41; Goldstone 2011; Storm 2012; Tobin 2012). By contrast, the Arab monarchies had other mechanisms at their disposal to cope with the turmoil. There is much debate as to why the Arab monarchies proved to be stable during the past decade or two. There is a built-in survivor bias in that by the year 2010 only the strongest of them had survived, while many had succumbed to popular or revolutionary pressure decades ago, that is, Egypt in 1952, Tunisia in 1957, Iraq in 1958, North Yemen in 1962, Libya in 1969, Afghanistan in 1973, and Iran in 1979.

While most of the surviving monarchies engaged in repression to weather the Arab Spring, some of them also engaged in political and economic reforms, further strengthening limited forms of political pluralism (Storm 2012; Tobin 2012). The case of Morocco is illustrative in that, since independence in 1956, successive kings have presented themselves as a symbol of national unity. “Moroccans widely credit the monarchy for holding the ethnically and culturally diverse population together. Were this symbol of unity to disappear, they rightly or wrongly believe, the nation would fall apart and dissolve into bloody sectarian conflicts” (Benchemsi 2014, 224–25). Sovereigns had to make compromises and concessions in view of the rising influence of new social forces such as the feminist movement, moderate Islamism, and the Berber minority, and also engaged in repression. It is perhaps the ability both to signal legitimacy and to adapt to changing sociopolitical circumstances and pressures which makes the Moroccan monarchy such a symbol of national unity in the face of challenges (Herb 1999, 2004; Lucas 2004; Khoury 2013; Stepan, Linz, and Minoves 2014; Winckler 2013). Quantitative analyses corroborate that monarchies in the Arab world have contributed to political stability since 1950 (Menaldo 2012).

Among the East Asian monarchies, Thailand is another case of monarchical-led stabilization. The country went through some 20 coups or attempted coups since the revolution of 1932 put an end to absolutist monarchical rule. This statistic is typically interpreted as proof that the monarchy provided an overarching symbol of continuity and a framework for managing rapid socioeconomic and political change (Farrelly 2013). More specifically, the monarchy provides a symbol underpinning the idea of Thai nationhood and unity, thus mediating the conflicts among various ethnic groups, and between the rising cities and the rural areas (Baker and Phongpaichit 2014).

Some scholars argue that the cohesive effect of national unity manifests itself in the form of enhanced social capital. For instance, survey research has found that people in contemporary monarchies are more trusting of each other (Bjørnskov 2007; Robbins 2012). Given the various ways in which the monarchy can become a symbol of unity in the midst of tensions and divisions in the society, we expect that

Hypothesis 1: Compared to republics, monarchies reduce the negative effect of internal conflict on property rights.

### ***Dynastic Continuity and Executive Tenure***

The political science literature suggests that the rule of law in general, and the protection of property rights in particular, suffers as politicians stay longer in power. Executive tenure and property rights are negatively associated with one another (Baturu 2014). In countries with weak rule of law or property rights, the politician (elected or not) has an incentive to remain in power for as long as possible. Politicians in office may prefer weaker property rights if they wish to rely on allocating rents to their supporters as a way to perpetuate themselves in power. Longer executive tenure reduces the incentive to engage in the always costly provision of strong property rights as a public good to society. Moreover, spending political capital and other resources on boosting property rights is unnecessary as long as the politician has a reasonable expectation of staying in power (Baturu 2014, 116–17).

It is also intriguing to note that, historically, executive tenure is longer in dictatorships than in democracies, and that dictatorships tend to provide for weaker protections of property rights (Baturu 2014; Olson 1991). Machiavelli advanced elements of this general argument in his *Discourses* (1517, 51), noting that a dictator might be beneficial to the polity if in office for a limited period of time.

In his classic analysis of the impact of political regimes on the economy, Olson (1993) argued that the rule of law and the protection of property rights historically resulted in higher standards of living in democracies than in autocracies. “The main obstacle to long-run progress in autocracies is that individual rights even to such relatively unpolitical or economic matters as property and contracts can never be secure, at least over the long run” (Olson 1993, 574). In



his view, the crucial mechanism is the existence of predictable rules of succession:

The only societies where individual rights to property and contract are confidently expected to last across generations are the securely democratic societies. In an autocracy ... the absence of any independent power to assure an orderly legal succession means that there is always substantial uncertainty about what will happen when the current autocrat is gone. History provides not even a single example of a long and uninterrupted sequence of absolute rulers who continuously respected the property and contract-enforcement rights of their subjects. Admittedly, the terms, tenures, and time horizons of democratic political leaders are perhaps even shorter than those of the typical autocrat ... But in the secure democracy with predictable succession of power under the rule of law, the adjudication and enforcement of individual rights is not similarly short-sighted. Many individuals in the secure democracies ... expect their legal rights to be secure for the indefinite future. (Olson 1993, 572)

Olson's argument about predictable succession in the executive branch is useful for understanding how monarchies might enhance the rule of law and the protection of property rights, especially when executive tenure is long. Most sovereigns are committed to ensuring dynastic continuity, typically following hereditary rules. To be sure, there are well-known limits to dynastic continuity in monarchies, given the vagaries of royal succession, dependent as it is on human reproductive biology, family rivalries, and internal and external contestation (Bendix 1978, 223). But the desire for dynastic continuity creates an incentive to act, make decisions, and promote policies that deliver stability and good governance over the long run, as opposed to rent-seeking behavior (Bjørnskov and Kurrild-Klitgaard 2014). The available empirical evidence based on case studies and on large samples of countries shows that in the contemporary period monarchies display a tendency to provide "quality government" oriented toward the long term when compared to non-monarchical authoritarian regimes, although those with strong military backing tend to be long-term oriented as well (Charron and Lapuente 2011; Menaldo 2012).

In the case of democratic-constitutional monarchies, Olson's (1993) original argument about the importance of the predictability of succession holds for the executive branch, which is democratically elected at regular intervals. In addition to this mechanism, the desire for dynastic succession offers another guarantee of continuity at the level of the state itself. By comparison, in the case of absolute monarchies, the sovereign is either the head of the executive branch or appoints someone to it, but the desire for dynastic continuity is also present, thus potentially contributing to predictability. Hence, we propose that the existence of predictable rules of succession in monarchies provides for an additional mechanism that offsets the harmful effect of executive tenure on property rights. Therefore, we predict that

Hypothesis 2: Compared to republics, monarchies reduce the negative effect of executive tenure on property rights.

### ***Monarchies and Veto Points on the Executive Branch***

The third mechanism that the literature identifies as contributing to the protection of property rights has to do with institutional checks and balances, that is, limits, constraints, or veto points on the authority of the executive branch of government to arbitrarily or unilaterally engage in policy changes or to confiscate property. Thus, executive discretion, that is, the absence of checks and balances on the executive branch, reduces the protection of property rights. The original argument about seventeenth-century England hinged on the idea that institutional arrangements such as “king in parliament” essentially created veto points on the sovereign’s ability to confiscate property or the income from property (De Long and Shleifer 1993; North and Weingast 1989; Olson 1993). We extend this analysis by invoking the same principle used by North and Weingast (1989), but turning it on its head by arguing that in the contemporary world monarchies actually play the role of countervailing power. Let us distinguish between constitutional and absolute monarchies.

The case of the constitutional monarchies under democratic conditions is relatively straightforward. In these parliamentary systems, the sovereign acts as an arbiter. Max Weber compared parliamentary monarchies and parliamentary republics, arguing that “the parliamentary monarch is retained in spite of his [*sic*] powerlessness, because, by his very existence and by virtue of the fact that power is exercised “in his name,” *he guarantees the legitimacy of the existing social and property order through his charisma*; all those interested in this order must fear the subversion of the belief in its legitimacy if the king is removed” (Weber [1922] 1978, 1148; emphasis added). Thus, Weber explicitly linked constitutional monarchies to the protection of property rights, further observing that “the function of legitimizing the governmental decisions of the victorious party as lawful acts can also be fulfilled by a president elected according to fixed rules,” but adding: “However, the parliamentary monarch fulfills another function which an elected president cannot fulfill: He formally limits the power struggle of the politicians by definitively occupying the highest position in the state” (Weber [1922] 1978, 1148; see also Lippmann 1956, 50).

In the contemporary world, “combining monarchy with modern democratic institutions might have the effect of constraining the discretionary power of government,” which can be used to confiscate property (Bjørnskov and Kurrild-Klitgaard 2014, 474–75; see also Lijphart 1992; Linz 1990). In other words, the sovereign can be seen, and act, as an obstacle to political abuse by one party, interest group, or a coalition thereof. “In modern democracies, the presence of a constitutional monarch may lead to more careful decisions because he or she conceivably could oppose an out-of-control parliament or executive, even if this power is one that actually never or very rarely is used. Indeed, the more credible

that negative option is, the less likely it is that we would observe it” (Bjørnskov and Kurrild-Klitgaard 2014, 475).

Another distinct aspect of the countervailing role of the sovereign is that elected heads of state can be more involved in political maneuvering because they were elected to that position, either directly or indirectly, while sovereigns do not generally have the legitimacy or the constitutional mandate to do so (Schleiter and Morgan-Jones 2009). In Sweden, for instance, “a monarch recruited through heredity represents continuity and tradition in state life and is believed to have greater prospects of achieving impartiality than a politically elected president.” He or she is “positioned outside and above political parties and other interest groups” (quoted in Åse 2013, 182). The key point here is that the sovereign, by virtue of his or her non-partisan position, has the credibility and legitimacy to draw limits on political struggles over controversial issues.

The case of the absolute monarchies is also conducive to a similar kind of countervailing dynamic. “Monarchs with strong stature independent of the other branches of government may occasionally be bulwarks against tyranny (rather than expressions of tyranny),” especially if the executive branch “is not effectively constrained by a constitutional court or an upper chamber” (Bjørnskov and Kurrild-Klitgaard 2014, 474–75). In Morocco, for instance, the king has frequently intervened to overrule certain policies adopted by the government that were perceived as being unfair by a significant proportion of the population (Khoury 2013; Winckler 2013).

In sum, monarchies can impose limitations on policymaking, that is, mitigate the discretionary behavior of an unconstrained executive branch so that its potentially abusive behavior is kept in check, especially when it comes to confiscating property. Thus, we predict that

Hypothesis 3: Compared to republics, monarchies reduce the negative effect of the discretion of the executive branch on property rights.

## Property Rights and Economic Outcomes

The third step in our theory has to do with the link from property rights to economic outcomes. Perhaps one of the first proponents of this connection was Montesquieu. In the *Spirit of Laws*, he wrote passionately about how “the possession of property” makes merchants “undertake everything” to the benefit of the country (Montesquieu [1748] 1989, book 22, passage 4). Three decades later, in *Wealth of Nations*, Adam Smith explicitly argued that securing property rights would lead to economic dynamism: “In all countries where there is tolerable security, every man of common understanding will endeavor to employ whatever [capital] stock he can command... A man must be perfectly crazy who, where there is tolerable security, does not employ all the stock which he commands, whether it be his own, or borrowed of other people” (Smith [1776] 1976, book 2, chapter 1).

More recently, economic historians (Acemoglu, Johnson, and Robinson 2005; North 1990, 1997; North and Weingast 1989), political scientists (Olson

1993), and economic sociologists (Carruthers and Ariovich 2004; Stark and Bruszt 1998; Walder 2011) have argued for a causal link between property rights and economic outcomes. In the market-based economy, property rights encourage savings and investment in both physical and human capital by protecting the value of property and the returns to it, thus resulting in better economic outcomes. Hence, we predict that:

Hypothesis 4: A greater degree of protection of property rights results in better economic outcomes.

## Data and Methods

Our dataset for analysis covers 137 independent countries with complete information between 1900 and 2010. We identified different kinds of monarchies: 9.7 percent of the country-years in our sample are democratic-constitutional monarchies, 4.1 percent are British Commonwealth monarchies, and 9.5 percent are non-democratic and absolute monarchies. Thus, a total of 23.3 percent are monarchies. We defined democratic-constitutional monarchies as those in which the sovereign reigns but does not rule, and which score at a level of 6 or higher on the Polity IV measure of democracy and autocracy, as suggested by Marshall and Cole (2014). We defined non-democratic and absolute monarchies as those in which the sovereign reigns and rules, as well as those which are officially constitutional in nature but score at a level of 5 or lower on the Polity IV measure of democracy and autocracy. Regarding republics, 62.0 percent of all country-year observations refer to presidential republics and 14.7 percent to parliamentary republics.

These measures are time-varying in that many countries in the sample switched from monarchy to republic, from absolute to constitutional monarchy, or from parliamentary to presidential republic, and vice versa. For example, since 1900, 33 countries have adopted the monarchy upon becoming independent.<sup>1</sup> Three countries adopted it a few years after independence.<sup>2</sup> During the same period, 24 countries abandoned the monarchy,<sup>3</sup> with four of them (Cambodia, Greece, South Africa, and Spain) switching back and forth between being a republic and a monarchy.

To measure economic outcomes, we obtained GDP per capita in each year expressed in 1990 constant international dollars from the Maddison Project (Bolt and van Zanden 2014). It is important to note that we estimate regressions using pooled cross-sectional time-series data, whereas economists have traditionally used growth rates in GDP per capita over a decade, estimating cross-sectional regressions (e.g., Barro 1996, 2003).

For countries whose territorial boundaries changed considerably during our observation period (e.g., Russia, Poland) or that experienced splits (e.g., Korea, Germany, Czechoslovakia), we used GDP per capita data for each year according to the boundaries at the time. Excluding these countries from the analysis yielded results similar to those reported below.

To measure property rights protections, we used the variable `v2xcl_prpty` in the Varieties of Democracy (V-Dem) dataset, which captures “the right to acquire, possess, inherit, and sell private property, including land” (Coppedge et al. 2016, 222–23). This continuous and time-varying indicator ranges between 0 and 1.

To measure the three mechanisms in our hypotheses, we used the following variables. First, to capture internal conflict, we used a time-varying dummy variable indicating if a country was afflicted by armed internal conflict in a given year, also from the V-Dem dataset, supplemented with information from the Polity IV database’s total civil conflict index. Second, to measure executive tenure, we created a counter of the number of consecutive years that the highest position of the executive branch was occupied by the same person, and updated it every year. In the case of the constitutional monarchies and parliamentary republics, that person was typically the prime minister or head of government as opposed to the sovereign or the president, respectively. In the case of the presidential republics, we took into account who was the president in each year. The data came from the Political Constraint Index database (Henisz 2000), supplemented by numerous Internet sources for each country. And third, to measure the discretion of the executive branch, we used the reversed-signed `polconiii` indicator in the Political Constraints Index (Henisz 2000), which captures the veto points on policymaking in each country and year taking into account characteristics of the executive, legislative, and judicial branches. We mean-centered executive tenure and executive discretion before calculating the interaction with the monarchy variable to reduce multicollinearity (Jaccard and Turrisi 2003).

Our estimation method involved three steps. In the first step, following Gowrisankaran and Town (1999), we estimated each equation predicting forms of government using instrumental variables. This procedure is also recommended by Wooldridge (2008, chapter 15). We used for this first step the multinomial logit (`mlogit`) procedure in Stata, which allows us to calculate the predicted probability of each form of government in a given country-year, clustering the observations by country. In each estimated equation, the probabilities for the various forms of government involved always add to 100 percent, including the baseline (omitted) category. The most crucial aspect of our strategy to deal with the endogeneity of the forms of government is to select appropriate instrumental variables. It is important to note that we are not hypothesizing the main effect of monarchy on the protection of property rights, but rather if monarchies behave differently than republics when it comes to the effects of each of the three mechanisms on property rights. Still, we selected instruments identified in the literature as theoretically relevant and that are *not* highly correlated with either property rights or GDP per capita (as reported below): primary and secondary schooling, population density, and urbanization as proxies for the so-called stage of modernization of the country (Lipset 1959; Rostow 1960); and six dummy variables denoting if the country was part of the Roman, Spanish, Portuguese, or British empire, invaded by Napoleon, or lost in World War I. These dummy variables are generally associated in the literature with the formation and survival of monarchies over time (Bendix 1978; Stepan, Linz, and

Minoves 2014). We obtained school enrollments per capita and population density per square mile from the Cross-National Time-Series data archive. We secured urbanization from the V-Dem dataset, expressed as a percentage of the total population.

After calculating the probabilities of each form of government for each model, we used the `xtivreg` procedure also in Stata to perform the second and third steps by jointly estimating the equation predicting property rights (to test H1–H3), including the probabilities from the multinomial logit regressions (omitting the baseline category), and the equation predicting GDP per capita (to test H4). For `xtivreg`, we used the fixed-effects specification in both equations to account for any time-invariant omitted variables.

After losing observations due to missing data, the sample for analysis includes 137 countries between 1900 and 2010, for a total of 7,511 country-years.<sup>4</sup> Our dataset is unique in that all variables are time-varying, and it covers a much larger number of countries and longer time period than any analysis in the existing literature. Tables 1 and 2 report the descriptive statistics and correlations. The exogenous variables we used to predict the different types of monarchies and republics are correlated with the *year-on-year changes* in GDP per capita and in property rights protections at very low levels: schooling (0.03 and 0.10, respectively), population density (0.11 and  $-0.02$ ), urbanization (0.16 and  $-0.01$ ), invaded by Napoleon (0.10 and  $-0.01$ ), British Empire ( $-0.03$  and  $-0.03$ ), Spanish Empire ( $-0.02$  and  $-0.01$ ), Portuguese Empire ( $-0.10$  and  $-0.01$ ), lost in WWI (0.05 and  $-0.01$ ), and Roman Empire (0.11 and  $-0.01$ ). Note that these correlations are, unlike those reported in table 2, calculated with fixed effects on GDP per capita and property rights protections. We thus believe they are valid instruments. Still, the overall pattern of significant results holds if the adjustment for endogeneity is not used, with the levels of significance rising slightly.

## Results

Table 3 reports the fixed-effects results. Model A is the baseline. As expected, we find that the main effects of internal conflict, executive tenure, and executive discretion reduce the protection of property rights. Model B adds the interaction between each of these three main effects and a dummy variable denoting if the country-year is a monarchy. The omitted category is republics. We find support for each of our hypotheses. Relative to republics, monarchies offset the negative effects of internal conflict (H1), executive tenure (H2), and executive discretion (H3). Model C adds a time-varying control variable for presidential republics, thus making parliamentary republics the omitted category. Relative to parliamentary republics, the interaction effects of monarchies with conflict and with executive discretion are positive and significant, further supporting H1 and H3. The interaction with executive tenure is not significant (H2), suggesting that parliamentary republics, which can replace an executive through a parliamentary vote as well as through elections, are as good as monarchies when it comes to reducing the negative effect of executive tenure. In model D, we include a control

**Table 1. Sample Descriptive Statistics (N = 7,511)**

	Mean	SD	Min	Max
1. GDP per capita	4,908	5,402	203	42,916
2. Property rights	0.6122	0.2580	0.0034	0.9560
3. Monarchy	0.2334	0.4230	0	1
4. Democratic-constitutional monarchy (exc. BC)	0.0973	0.2964	0	1
5. Democratic-constitutional monarchy (inc. BC)	0.1381	0.3450	0	1
6. British Commonwealth monarchy (BC)	0.0463	0.2102	0	1
7. Republic	0.7666	0.4230	0	1
8. Parliamentary republic	0.1469	0.3540	0	1
9. Presidential republic	0.6198	0.4855	0	1
10. Authoritarian republic	0.4651	0.4988	0	1
11. Internal conflict	0.1255	0.3314	0	1
12. Executive tenure <sup>a</sup>	0.0000	6.7473	-6.1128	44.8872
13. Executive discretion <sup>a</sup>	0.0000	0.2217	-0.5066	0.2214
14. Monarchy × conflict	0.0111	0.1045	0	1
15. Monarchy × tenure	-0.3863	2.2507	-5.1128	29.8872
16. Monarchy × discretion	-0.0210	0.1125	-0.4986	0.2214
17. Const-dem monarchy (exc. BC) × conflict	0.0047	0.0681	0	1
18. Const-dem monarchy (exc. BC) × tenure	-0.2261	1.2091	-5.1128	15.8872
19. Const-dem monarchy (exc. BC) × discretion	-0.0231	0.0819	-0.4986	0.2214
20. Const-dem monarchy (inc. BC) × conflict	0.0048	0.0691	0	1
21. Const-dem monarchy (inc. BC) × tenure	-0.2689	1.4128	-5.1128	15.8872
22. Const-dem monarchy (inc. BC) × discretion	-0.0297	0.0877	-0.4986	0.2214
23. Schooling	1,640	614	14	3,661
24. Population density	2,063	2,720	13	28,292
25. Urbanization	0.4637	0.2257	0.0212	0.9740
26. Invaded by Napoleon	0.1285	0.3346	0	1
27. British Empire	0.2647	0.4412	0	1
28. Spanish Empire	0.2909	0.4542	0	1

*(Continued)*

**Table 1. continued**

	Mean	SD	Min	Max
29. Portuguese Empire	0.1707	0.3763	0	1
30. Lost in WWI	0.0357	0.1855	0	1
31. Roman Empire	0.2623	0.4399	0	1

<sup>a</sup> Variable mean centered.

variable for authoritarian republics. Relative to democratic republics—whether parliamentary or presidential—the interaction effects of internal conflict (H1) and executive tenure (H2) are positive and significant, while the interaction with executive discretion (H3) is not, suggesting that democratic republics, with all of the accompanying checks and balances, are as effective as monarchies at reducing the negative effect of executive discretion. In sum, monarchies are better than republics at offsetting the negative effects of the three mechanisms than republics in general, and at least as good as either parliamentary republics or democratic republics.

The main effect of monarchy on property rights in model A is positive (relative to all republics), not significant in model B, negative (relative to parliamentary republics) in model C, and not significant (relative to democratic republics) in model D. The significant signs are consistent with the existing literature (Bjørnskov and Kurrild-Klitgaard 2014; Cheibub, Gandhi, and Vreeland 2010; Shakibi 2007). Presidential republics exert a negative effect in model C due to the fact that they are more likely than parliamentary republics to change the rules of the game (Lijphart 1992; Linz 1990). In model D, the dummy standing for authoritarian republics is also negative given their proclivities to engage in unpredictable policymaking (Charron and Lapuente 2011; Menaldo 2012).

The effect of property rights on GDP per capita is always positive and significant across all fixed-effects models. Increases in property rights protections result in higher growth of GDP per capita, in support of H4.

We also report the multinomial logit models with clustered standard errors by country to identify the forms of government used to predict property rights. The endogeneity adjustments using the predicted probabilities from the multinomial logit models are generally significant. Excluding them does not change the overall pattern of results except that in model C we also obtain support for H2 in addition to H1 and H3. It is important to note that we used standard errors clustered by county instead of merely robust standard errors, making it much harder for a variable to reach significance. However, the coefficient estimates used to calculate the probabilities are the same regardless of the standard errors used.

The significant interaction effects reported in table 3 are also large in magnitude. We calculate the magnitude of the interaction effects on GDP per capita by multiplying the sample mean by the coefficient for the interaction term with monarchy and the coefficient for property rights on GDP per capita. It is important to note that both equations include country fixed effects. Using the estimates



**Table 2. Sample Correlations (N = 7,511)**

	1	2	3	4	5	6	7
1. GDP per capita							
2. Property rights	0.48						
3. Monarchy	0.28	0.19					
4. Democratic-constitutional monarchy (exc. BC)	0.34	0.29	0.60				
5. Democratic-constitutional monarchy (inc. BC)	0.41	0.34	0.73	0.82			
6. British Commonwealth monarchy (BC)	0.19	0.18	0.40	0.02	0.55		
7. Republic	-0.28	-0.19	-1.00	-0.60	-0.73	-0.40	
8. Parliamentary republic	0.24	0.28	-0.23	-0.14	-0.17	-0.09	0.23
9. Presidential republic	-0.42	-0.37	-0.70	-0.42	-0.51	-0.28	0.70
10. Authoritarian republic	-0.46	-0.48	-0.51	-0.31	-0.37	-0.21	0.51
11. Internal conflict	-0.14	-0.16	-0.13	-0.08	-0.11	-0.08	0.13
12. Executive tenure	-0.14	-0.28	-0.14	-0.11	-0.12	-0.04	0.14
13. Executive discretion	-0.48	-0.58	-0.22	-0.35	-0.39	-0.16	0.22
14. Monarchy × conflict	0.01	0.00	0.19	0.12	0.09	-0.02	-0.19
15. Monarchy × tenure	-0.05	-0.11	-0.31	-0.28	-0.28	-0.07	0.31
16. Monarchy × discretion	-0.30	-0.35	-0.34	-0.63	-0.69	-0.27	0.34
17. Const-dem monarchy (exc. BC) × conflict	0.08	0.05	0.12	0.21	0.17	-0.02	-0.12
18. Const-dem monarchy (exc. BC) × tenure	-0.16	-0.16	-0.34	-0.57	-0.47	0.01	0.34
19. Const-dem monarchy (exc. BC) × discretion	-0.32	-0.27	-0.51	-0.86	-0.70	0.01	0.51
20. Const-dem monarchy (inc. BC) × conflict	0.07	0.05	0.13	0.20	0.17	-0.01	-0.13
21. Const-dem monarchy (inc. BC) × tenure	-0.17	-0.15	-0.35	-0.48	-0.48	-0.13	0.35
22. Const-dem monarchy (inc. BC) × discretion	-0.39	-0.31	-0.61	-0.78	-0.85	-0.33	0.61
23. Schooling	0.15	0.17	-0.01	-0.03	0.06	0.16	0.01
24. Population density	0.20	0.24	0.12	0.25	0.21	-0.02	-0.12
25. Urbanization	0.66	0.45	0.22	0.32	0.37	0.18	-0.22
26. Invaded by Napoleon	0.26	0.17	0.06	0.16	0.09	-0.08	-0.06
27. British Empire	-0.01	-0.03	0.09	-0.13	0.09	0.37	-0.09
28. Spanish Empire	0.00	0.05	-0.10	-0.03	-0.05	-0.05	0.10

*(Continued)*

**Table 2. continued**

	1	2	3	4	5	6	7
29. Portuguese Empire	-0.18	-0.07	-0.08	-0.14	-0.14	-0.05	0.08
30. Lost in WWI	0.11	0.07	-0.08	-0.06	-0.08	-0.04	0.08
31. Roman Empire	0.25	0.16	0.13	0.13	0.04	-0.13	-0.13
	8	9	10	11	12	13	14
9. Presidential republic	-0.53						
10. Authoritarian republic	-0.28	0.65					
11. Internal conflict	-0.01	0.12	0.14				
12. Executive tenure	-0.14	0.22	0.30	-0.04			
13. Executive discretion	-0.30	0.41	0.63	0.11	0.29		
14. Monarchy × conflict	-0.04	-0.14	-0.10	0.28	-0.04	0.00	
15. Monarchy × tenure	0.07	0.22	0.16	0.03	0.34	0.14	-0.10
16. Monarchy × discretion	0.08	0.24	0.17	0.07	0.09	0.53	0.02
17. Const-dem monarchy (exc. BC) × conflict	-0.03	-0.09	-0.06	0.18	-0.02	-0.05	0.65
18. Const-dem monarchy (exc. BC) × tenure	0.08	0.24	0.17	0.04	0.19	0.20	-0.07
19. Const-dem monarchy (exc. BC) × discretion	0.12	0.36	0.26	0.08	0.10	0.40	-0.05
20. Const-dem monarchy (inc. BC) × conflict	-0.03	-0.09	-0.06	0.18	-0.02	-0.05	0.66
21. Const-dem monarchy (inc. BC) × tenure	0.08	0.24	0.18	0.05	0.22	0.20	-0.05
22. Const-dem monarchy (inc. BC) × discretion	0.14	0.43	0.32	0.10	0.11	0.44	-0.04
23. Schooling	0.01	0.00	-0.14	-0.05	0.10	-0.19	-0.03
24. Population density	0.25	-0.29	-0.18	0.00	-0.08	-0.25	0.03
25. Urbanization	0.09	-0.25	-0.36	-0.11	-0.05	-0.42	-0.02
26. Invaded by Napoleon	0.27	-0.25	-0.13	-0.09	-0.02	-0.20	-0.01
27. British Empire	0.07	-0.13	-0.07	0.05	0.03	0.01	-0.04
28. Spanish Empire	-0.18	0.22	0.01	0.01	-0.10	-0.06	-0.06
29. Portuguese Empire	-0.08	0.13	0.14	-0.02	0.08	0.12	-0.03
30. Lost in WWI	0.35	-0.19	-0.09	-0.07	-0.04	-0.07	-0.02
31. Roman Empire	0.32	-0.35	-0.18	-0.04	-0.01	-0.16	0.06
	15	16	17	18	19	20	21
16. Monarchy × discretion	0.25						

*(Continued)*

**Table 2. continued**

	15	16	17	18	19	20	21		
17. Const-dem monarchy (exc. BC) × conflict	-0.06	-0.08							
18. Const-dem monarchy (exc. BC) × tenure	0.52	0.37	-0.12						
19. Const-dem monarchy (exc. BC) × discretion	0.25	0.73	-0.11	0.50					
20. Const-dem monarchy (inc. BC) × conflict	-0.06	-0.08	0.99	-0.12	-0.10				
21. Const-dem monarchy (inc. BC) × tenure	0.62	0.36	-0.10	0.85	0.42	-0.10			
22. Const-dem monarchy (inc. BC) × discretion	0.26	0.81	-0.09	0.45	0.91	-0.09	0.44		
23. Schooling	0.01	-0.08	0.01	0.02	0.04	0.01	0.00		
24. Population density	-0.08	-0.25	0.07	-0.16	-0.28	0.07	-0.11		
25. Urbanization	-0.01	-0.30	0.08	-0.15	-0.30	0.08	-0.17		
26. Invaded by Napoleon	-0.01	-0.17	-0.01	-0.09	-0.23	-0.02	-0.06		
27. British Empire	0.03	0.04	-0.04	0.09	0.15	-0.03	0.03		
28. Spanish Empire	0.02	-0.06	-0.04	0.01	-0.04	-0.04	0.02		
29. Portuguese Empire	0.07	0.11	-0.03	0.08	0.13	-0.03	0.08		
30. Lost in WWI	0.01	0.05	-0.01	0.04	0.05	-0.01	0.04		
31. Roman Empire	-0.02	-0.03	0.10	-0.07	-0.15	0.09	-0.04		
	22	23	24	25	26	27	28	29	30
23. Schooling	-0.02								
24. Population density	-0.26	0.11							
25. Urbanization	-0.34	0.34	0.09						
26. Invaded by Napoleon	-0.19	-0.10	0.26	0.21					
27. British Empire	0.01	0.16	0.02	-0.12	-0.18				
28. Spanish Empire	-0.02	0.09	0.00	0.18	0.01	-0.25			
29. Portuguese Empire	0.13	-0.04	-0.07	-0.14	-0.17	0.20	-0.19		
30. Lost in WWI	0.07	-0.08	0.05	0.08	0.17	-0.12	-0.12	-0.09	
31. Roman Empire	-0.09	-0.03	0.21	0.30	0.56	-0.20	-0.05	-0.23	0.32

in model B of table 3, when the internal conflict dummy equals one, the difference in GDP per capita between a monarchy and a republic is an estimated 788 dollars per capita ( $1 \times 0.0334 \times 23,633.10$ ). Relative to parliamentary republics

**Table 3. Fixed-Effects Instrumental-Variabes Regressions of Income per Capita on Monarchy**

	A	B	C	D
	Relative to republics	Relative to republics	Relative to parliamentary republics	Relative to democratic republics
<b>DV: Property rights</b>				
Monarchy	0.0221** (0.0075)	0.0106 (0.0078)	-0.0415*** (0.0089)	0.0078 (0.0079)
Internal conflict	-0.0109*** (0.0237)	-0.0137** (0.0046)	-0.0120** (0.0045)	-0.0134** (0.0043)
× Monarchy (H1: +)		0.0334* (0.0139)	0.0266* (0.0135)	0.0304* (0.0130)
Executive tenure	-0.0025*** (0.0002)	-0.0026*** (0.0002)	-0.0023*** (0.0002)	-0.0030*** (0.0002)
× Monarchy (H2: +)		0.0016* (0.0007)	0.0011 (0.0007)	0.0015* (0.0006)
Executive discretion	-0.3374*** (0.0084)	-0.3590*** (0.0091)	-0.3103*** (0.0093)	-0.1908*** (0.0106)
× Monarchy (H3: +)		0.1288*** (0.0208)	0.0731*** (0.0206)	0.0100 (0.0206)
Presidential republic			-0.1058*** (0.0075)	
Authoritarian republic				-0.0730*** (0.0049)
Constant	0.4913*** (0.0061)	0.4983*** (0.0062)	0.8305*** (0.0421)	0.8219*** (0.0141)

Monarchy probability	0.5019*** (0.0237)	0.4977*** (0.0236)	0.1996** (0.0582)	0.0219 (0.0317)
Presidential republic probability			-0.3009*** (0.0075)	
Authoritarian republic probability				-0.3881*** (0.0178)
Overall R-squared	0.33	0.32	0.29	0.38
F	521.30***	334.62***	327.41***	402.20***
<b>DV: GDP per capita</b>				
Property rights (H4: +)	24,138.96*** (722.9174)	23,633.10*** (710.4518)	23,817.63*** (662.9489)	21,556.13*** (599.5960)
Constant	-9,870.24*** (444.8686)	-9,560.54*** (437.24)	-9,673.52*** (408.3378)	-8,289.04*** (369.6455)
Country fixed effects	Yes	Yes	Yes	Yes
R-squared	0.23	0.23	0.23	0.23
Wald chi-squared	12,961.19***	13,130.13***	13,249.72***	14,030.15***
<b>Multinomial logit</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>DV: Monarchy</b>				
Schooling (× 1,000)	-0.5794* (0.2781)	-0.5794* (0.2781)	-0.5443 (0.3478)	-0.7982** (0.2900)
Population density (× 1,000)	0.0800 (0.0714)	0.0800 (0.0714)	-0.0937 (0.0518)	0.0264 (0.0635)
Urbanization	2.9086** (1.1004)	2.9086** (1.1004)	1.8309 (1.1613)	1.1820 (1.1221)
Invaded by Napoleon	-0.2200 (0.6909)	-0.2200 (0.6909)	-0.9357 (0.7129)	-0.3330 (0.7891)

(Continued)

**Table 3. continued**

Multinomial logit	A	B	C	D
British Empire	0.6771 (0.5277)	0.6771 (0.5277)	-0.5151 (0.6449)	0.3787 (0.5949)
Spanish Empire	-0.7442 (0.5641)	-0.7442 (0.5641)	0.9203 (0.9094)	-0.7614 (0.6013)
Portuguese Empire	-0.6121 (0.6304)	-0.6121 (0.6304)	0.0654 (0.8555)	-0.3192 (0.6875)
Lost in World War I	-2.3736** (1.0712)	-2.3736** (1.0712)	-2.9496** (1.0520)	-2.9075* (1.1610)
Roman Empire	0.4227 (0.6462)	0.4227 (0.6462)	-0.7299 (0.6864)	0.4397 (0.6863)
Constant	-1.7877** (0.5943)	-1.7877** (0.5943)	1.5002* (0.6871)	0.5559 (0.6978)
			<b>DV: Presidential Republic</b>	<b>DV: Authoritarian Republic</b>
Schooling (× 1,000)			0.1115 (0.3112)	-0.2393 (0.2273)
Population density (× 1,000)			-0.3088** (0.1023)	-0.1308* (0.0620)
Urbanization			-1.5338 (0.9957)	-3.2597*** (0.6574)
Invaded by Napoleon			-0.7625 (0.8313)	-0.1535 (0.6826)
British Empire			-1.5729* (0.6295)	-0.5935 (0.4247)

Spanish Empire			1.9541 (0.9151)	-0.0650 (0.3797)
Portuguese Empire			0.8400 (0.7290)	0.4871 (0.3610)
Lost in World War I			-2.1266 (1.1610)	-1.4812* (0.7333)
Roman Empire			-1.5375* (0.6852)	0.0377 (0.5364)
Constant			3.4753*** (0.5040)	2.7163*** (0.4790)
Pseudo R-squared	0.11	0.11	0.23	0.13

**Note:** BC = British Commonwealth. Standard errors reported between parentheses beneath regression coefficient.  $N = 7,511$  country-years. \*\*\* $p < 0.001$ ; \*\* $p < 0.01$ ; \* $p < 0.05$  (two-tailed  $t$ -tests for property rights and  $z$ -tests for GDP per capita)

(model C), the difference is 634 dollars, and relative to democratic republics (model D) it amounts to 655 dollars. To put these figures in perspective, the average GDP per capita in our sample is 4,907 inflation-adjusted dollars over the 1900–2010 time period. Thus, the effects of the interaction terms are between 13 and 16 percent of the average GDP per capita. The difference in GDP per capita at the sample mean for executive tenure between a monarchy and a republic is an estimated 231 dollars, relative to parliamentary republics the difference is not significant, and relative to democratic republics the difference is 198 dollars. Finally, the difference for executive discretion relative to all republics is 674 dollars, relative to parliamentary republics is 385 dollars, and relative to democratic republics is not significant.

In table 4, we explore if the hypothesized effects are due to the democratic-constitutional monarchies or the non-democratic and absolute monarchies. We use different dummy variables to account for democratic-constitutional monarchies (excluding the British Commonwealth countries but including the UK), British Commonwealth monarchies (if otherwise excluded), and all republics, thus leaving non-democratic and absolute monarchies as the reference category. The sample size is the same across all models.

Model A is the baseline. Model B adds the interaction between each of the three main effects and a dummy variable denoting if the country is a democratic-constitutional monarchy (excluding those in the British Commonwealth). Model C has the same structure, but including the British Commonwealth monarchies. In both models B and C, relative to non-democratic and absolute monarchies, democratic-constitutional monarchies significantly offset the negative effects of executive tenure (H2) and executive discretion (H3). We find no significant difference in terms of internal conflict (H1), suggesting that non-democratic and absolute monarchies can use sheer repression to crush dissent and conflict, something that democratic-constitutional monarchies are unlikely to do (Stepan, Linz, and Minoves 2014; Storm 2012; Tobin 2012).

Another important contrast is between democratic-constitutional monarchies and democratic republics. The results in models D and E corroborate the classic argument that the main effect of authoritarian republics on property rights is negative (Olson 1993). Both models indicate that monarchies offset the negative effect of executive tenure (H2) relative to democratic republics, but that there is no significant difference between them when it comes to reducing the negative effects of internal conflict and executive discretion. We also explore if monarchies reigning over an ethnically or linguistically diverse population contribute more to reducing the negative effect of internal conflict than other monarchies.<sup>5</sup> We find that multiethnic monarchies do reduce the negative effect of internal conflict ( $p < 0.01$ ). This pattern of significant results holds if we exclude the endogeneity adjustments using the predicted probabilities from the first-stage multinomial logit models. We find across all models of table 4 that the protection of property rights exerts a positive and significant effect on GDP per capita, in support of H4.

The magnitude of the effects on GDP per capita for the democratic-constitutional monarchies relative to the non-democratic and absolute monarchies



**Table 4. Fixed-Effects Instrumental-Variables Regressions of Income per Capita on Democratic-Constitutional Monarchies**

	A	B	C	D	E
	Relative to non-democratic and absolute monarchies:			Relative to democratic republics:	
	Excluding BC		Including BC	Excluding BC	Including BC
<b>DV: Property rights</b>					
Democratic-constitutional monarchy	0.0608*** (0.7669)	0.0951*** (0.0120)	0.0470*** (0.0018)	0.0790*** (0.0124)	0.3390** (0.0120)
Internal conflict	-0.0117** (0.0042)	-0.0121** (0.0043)	-0.0125** (0.0044)	-0.0130** (0.0042)	-0.0140** (0.0042)
× Democratic-constitutional monarchy		0.0089 (0.0201)	0.0099 (0.0199)	0.0283 (0.0194)	0.0301 (0.0192)
Executive tenure	-0.0031*** (0.0002)	-0.0032*** (0.0002)	-0.0033*** (0.0002)	-0.0028*** (0.0002)	-0.0030*** (0.0002)
× Democratic-constitutional monarchy		0.0055*** (0.0012)	0.0042*** (0.0010)	0.0054*** (0.0012)	0.0045*** (0.0010)
Executive discretion	-0.3010*** (0.0084)	-0.3057*** (0.0086)	-0.3034*** (0.0087)	-0.1948*** (0.0097)	-0.1906*** (0.0098)
× Democratic-constitutional monarchy		0.1173** (0.0353)	0.1122** (0.0335)	-0.0176 (0.0344)	0.0060 (0.0327)
British Commonwealth (BC)	-0.1026*** (0.0207)	-0.1004*** (0.0206)		-0.0624*** (0.0183)	
Republic	-0.0575*** (0.0083)	-0.0548*** (0.0083)	-0.0411*** (0.0080)		
Authoritarian republic				-0.0778*** (0.0048)	-0.0781*** (0.0049)

*(Continued)*

Table 4. *continued*

	A	B	C	D	E
	Relative to non-democratic and absolute monarchies:			Relative to democratic republics:	
	Excluding BC		Including BC	Excluding BC	Including BC
Absolute and non-democratic monarchy				0.0026 (0.0082)	-0.0077 (0.0083)
Constant	0.0194 (0.0317)	0.0229 (0.0318)	0.0623* (0.0315)	0.8131*** (0.0104)	0.8263*** (0.0113)
Democratic-constitutional monarchy probability	0.7669*** (0.0343)	0.7613*** (0.0343)	0.7943*** (0.0334)	-0.1011*** (0.0204)	-0.0634** (0.0215)
British Commonwealth (BC) probability	0.9918*** (0.0409)	0.9898*** (0.0409)		0.1492*** (0.0284)	
Republic probability	0.6802*** (0.0370)	0.6744*** (0.0370)	0.6148*** (0.0368)		
Authoritarian republic probability				-0.2897*** (0.0204)	-0.3077*** (0.0213)
Absolute and non-democratic monarchy probability				-0.2976*** (0.0400)	-0.2819*** (0.0389)
R-squared	0.30	0.31	0.33	0.38	0.39
F	351.85***	267.48***	305.51***	284.88***	319.82***
<b>DV: GDP per capita</b>					
Property rights (H4: +)	22,870.84*** (661.6590)	22,768.41*** (657.4990)	24,334.97*** (684.4163)	20,761.12*** (594.9932)	21,046.42*** (604.7561)
Constant	-9,093.88*** (407.4866)	-9,031.18*** (404.9480)	-9,990.24*** (421.4401)	-7,802.29*** (366.7951)	-7,976.95*** (372.7495)
Country fixed effects	Yes	Yes	Yes	Yes	Yes
R-squared	0.23	0.23	0.23	0.23	0.23
Wald chi-squared	13,483.64***	13,523.40***	13,041.52***	14,219.06***	14,118.77***

Multinomial logit	A	B	C	D	E
	DV: Democratic-constitutional monarchy				
Schooling (× 1,000)	-1.0108 (0.5987)	-1.0108 (0.5987)	-0.3964 (0.5228)	-1.3832** (0.5228)	-0.7523 (0.4149)
Population density (× 1,000)	0.3723** (0.1329)	0.3723** (0.1329)	0.3444* (0.1372)	0.1682 (0.0945)	0.1325 (0.0956)
Urbanization	8.7304*** (2.3865)	8.7304*** (2.3865)	8.5597*** (2.4166)	4.8288** (1.4078)	4.8021*** (1.1991)
Invaded by Napoleon	1.3503 (0.9002)	1.3503 (0.9002)	1.7057 (1.0085)	0.2229 (0.8958)	0.6227 (0.9906)
British Empire	-1.0152 (1.1549)	-1.0152 (1.1549)	0.7561 (0.8169)	-1.0338 (1.1159)	0.8181 (0.7651)
Spanish Empire	-0.6227 (0.8515)	-0.6227 (0.8515)	-0.3826 (0.8583)	-1.1928 (0.7146)	-0.9570 (0.7182)
Portuguese Empire	-2.7419* (1.2072)	-2.7419* (1.2072)	-2.6722* (1.1270)	-2.0182 (1.2541)	-1.9808* (0.9531)
Lost in World War I	-18.3791*** (1.3153)	-18.3791*** (1.3153)	-16.0772*** (1.3293)	-21.8481*** (0.9703)	-17.0268*** (1.0016)
Roman Empire	-2.8257** (0.9321)	-2.8257** (0.9321)	-3.2809** (1.0059)	-0.5325 (0.8198)	-1.0070 (0.8690)
Constant	-2.3377* (0.9042)	-2.3377* (0.9042)	-3.1163** (1.0288)	-1.3582 (0.8200)	-2.2554* (0.9282)
DV: British Commonwealth					
Schooling (× 1,000)	1.0516 (0.9235)	1.0516 (0.9235)		0.7496 (0.8648)	

(Continued)

**Table 4. continued**

Multinomial logit	A	B	C	D	E
	DV: British Commonwealth				
Population density (× 1,000)	0.3089* (0.1517)	0.3089* (0.1517)		0.1065 (0.1048)	
Urbanization	8.6717** (3.0322)	8.6717** (3.0322)		5.0141** (1.7886)	
Invaded by Napoleon	2.6616* (1.3091)	2.6616* (1.3091)		1.5800 (1.2064)	
British Empire	19.6633*** (1.1073)	19.6633*** (1.1073)		2.5716*** (1.0701)	
Spanish Empire	0.4510 (1.7383)	0.4510 (1.7383)		-0.1957 (1.6422)	
Portuguese Empire	-2.0721 (1.4931)	-2.0721 (1.4931)		-1.4458 (1.2188)	
Lost in World War I	18.2997*** (1.6075)	18.2997*** (1.6075)		16.8133*** (1.2677)	
Roman Empire	-21.5463*** (1.3329)	-21.5463*** (1.3329)		-2.1997*** (1.1231)	
Constant	-24.9636*** (2.6840)	-24.9636*** (2.6840)		-25.1988*** (2.6491)	
Multinomial logit	A	B	C	D	E
	DV: Republic		DV: Authoritarian Rep		
Schooling (× 1,000)	0.1729 (0.3705)	0.1729 (0.3705)	0.1839 (0.3604)	-0.2075 (0.2333)	-0.2050 (0.2326)

Population density ( $\times 1,000$ )	0.1505 (0.1251)	0.1505 (0.1251)	0.1560 (0.1259)	-0.1513* (0.0707)	-0.1552** (0.0724)
Urbanization	2.1268 (2.1797)	2.1268 (2.1797)	2.0802 (2.1566)	-3.6380*** (0.7120)	-3.6365*** (0.7112)
Invaded by Napoleon	0.9434 (0.7715)	0.9434 (0.7715)	0.9400 (0.7722)	-0.2738 (0.6831)	-0.2249 (0.6984)
British Empire	-0.2237 (0.5957)	-0.2237 (0.5957)	-0.3226 (0.6035)	-0.6775 (0.4219)	-0.6589 (0.4241)
Spanish Empire	0.6022 (0.6686)	0.6022 (0.6686)	0.5945 (0.6631)	-0.0577 (0.3782)	-0.0437 (0.3736)
Portuguese Empire	-0.3812 (0.6773)	-0.3812 (0.6773)	-0.3874 (0.6664)	0.6315 (0.3789)	0.6414 (0.3788)
Lost in World War I	1.7457 (0.9844)	1.7457 (0.9844)	1.7357 (0.9793)	-1.5120 (0.7771)	-1.4799 (0.7717)
Roman Empire	-2.1366*** (0.6890)	-2.1366*** (0.6890)	-2.1493** (0.6886)	0.2708 (0.5411)	0.2344 (0.5521)
Constant	1.2696 (0.7685)	1.2696 (0.7685)	1.2886 (0.7777)	2.8263*** (0.4884)	2.8205*** (0.4839)
<b>DV: Absolute and Non-Democratic Monarchy</b>					
Schooling ( $\times 1,000$ )				-0.3648 (0.3929)	-0.3719 (0.3821)
Population density ( $\times 1,000$ )				-0.2356 (0.1256)	-0.2451 (0.1274)

*(Continued)*

**Table 4. continued**

Multinomial logit	A	B	C	D	E
	DV: Absolute and Non-Democratic Monarchy				
Urbanization				-4.3340 (2.3515)	-4.2969 (2.3220)
Invaded by Napoleon				-1.1468 (0.8589)	-1.1056 (0.8642)
British Empire				-0.2208 (0.6766)	-0.1143 (0.6849)
Spanish Empire				-0.6565 (0.6924)	-0.6384 (0.6850)
Portuguese Empire				0.8305 (0.7632)	0.8434 (0.7512)
Lost in World War I				-2.6119* (1.3105)	-2.5757* (1.2990)
Roman Empire				2.2931** (0.7839)	2.2769** (0.7835)
Constant				1.3177 (0.9005)	1.2989 (0.9027)
Pseudo R-squared	0.31	0.31	0.23	0.25	0.20

**Note:** BC = British Commonwealth. Standard errors reported between parentheses beneath regression coefficient.  $N = 7,511$  country-years. \*\*\*  $p < 0.001$  \*\*  $p < 0.01$  \*  $p < 0.05$  (two-tailed  $t$ -tests for property rights and  $z$ -tests for GDP per capita)

reported in table 4 are also large quantitatively. The difference for internal conflict is not significant, for executive tenure is 765 dollars, and for executive discretion is 591 dollars (table 4, model B). Including the British Commonwealth monarchies in the definition yields similar estimates (625 and 605 dollars, respectively, in model C). When comparing the democratic-constitutional monarchies to the democratic republics, the only significant difference is for executive tenure (698 dollars in model D and 579 dollars in model E). Finally, we find that monarchies that reign over ethnically or linguistically diverse populations compared to other monarchies enjoy a difference of 1,544 dollars compared to other monarchies when it comes to reducing internal conflict.

Table 5 summarizes the results reported in tables 3 and 4, while table 6 summarizes the magnitude of the hypothesized effects. Relative to all types of republics, monarchies enhance property rights protections by mitigating the negative effects of internal conflict, executive tenure, and executive discretion. This general support for our hypotheses needs to be qualified in the following ways. First, relative to parliamentary republics, monarchies are not significantly different at offsetting the negative effect of executive tenure, and relative to democratic republics they are not significantly different at reducing the negative effect of executive discretion. Second, relative to non-democratic and absolute monarchies, democratic-constitutional monarchies are more effective at reducing the negative effects of executive tenure and executive duration, but not significantly different when it comes to mitigating internal conflict. And third, relative to democratic republics, democratic-constitutional monarchies are only significantly different at reducing the negative effect of executive tenure. We explore the theoretical implications of these findings in the concluding section.

## Discussion and Conclusion

The goal of this paper was to shift the debate about the economic consequences of different forms of government, especially traditional and modern ones, toward an examination of the specific mechanisms that underpin property rights and their impact on the economy and standards of living. Thus, instead of simply comparing monarchies with republics, we first identified the mechanisms and then developed a theory as to how monarchies compare to republics when it comes to moderating their effects.

Our results indicate that, in the contemporary world, traditional forms of government such as monarchies are not necessarily at a disadvantage when it comes to economic outcomes. Quite on the contrary, we found quantitatively meaningful evidence that monarchies outperform republics when it comes to protecting property rights, which translates into higher GDP per capita. We found support for each of our hypotheses when comparing all monarchies to all republics. Most of the results held when comparing monarchies to parliamentary republics and democratic republics. We also found consistent results by type of monarchy, with democratic-constitutional monarchies offsetting the negative effects of executive tenure and executive discretion, while there were no differences with non-democratic and absolute monarchies in terms of reducing the

**Table 5. Summary of the Empirical Results**

	All monarchies relative to:			Democratic-constitutional monarchies relative to:			
	All republics	Parliamentary republics	Democratic republics	Non-democratic and absolute monarchies		Democratic republics	
				Ex. BC	Inc. BC	Ex. BC	Inc. BC
	Interaction term:						
H1: Internal conflict	+	+	+	n.s.	n.s.	n.s.	n.s.
H2: Executive tenure	+	n.s.	+	+	+	+	+
H3: Executive discretion	+	+	n.s.	+	+	n.s.	n.s.
<b>Property rights on:</b>							
H4: GDP per capita	+	+	+	+	+	+	+
Table	3	3	3	4	4	4	4
Model	B	C	D	B	C	D	E

**Note:** BC: British Commonwealth. n.s.: not significant.



**Table 6. Estimated Effects of the Interaction Terms**

	[1] Reference value	[2] Coefficient of interaction term on property rights	[3] Coefficient of property rights on GDP per capita	[1] × [2] × [3] Effect on GDP per capita (dollars)
<b>Monarchies vs. republics</b>				
Model B of table 3:				
Internal conflict dummy = 1	1	0.0334	23,633.10	789
Executive tenure mean <sup>a</sup>	6.1128	0.0016	23,633.10	231
Executive discretion mean <sup>a</sup>	0.2214	0.1288	23,633.10	674
<b>Monarchies vs. parliamentary republics</b>				
Model C of table 3:				
Internal conflict dummy = 1	1	0.0266	23,817.63	634
Executive tenure mean <sup>a</sup>	6.1128	n.s.	23,817.63	n.s.
Executive discretion mean <sup>a</sup>	0.2214	0.0731	23,817.63	385
<b>Monarchies vs. democratic republics</b>				
Model D of table 3:				
Internal conflict dummy = 1	1	0.0304	21,556.13	655
Executive tenure mean <sup>a</sup>	6.1128	0.0015	21,556.13	198
Executive discretion mean <sup>a</sup>	0.2214	n.s.	21,556.13	n.s.
<b>Democratic-constitutional monarchies vs. non-democratic and absolute monarchies</b>				
Model B of table 4:				

(Continued)

**Table 6. continued**

	[1] Reference value	[2] Coefficient of interaction term on property rights	[3] Coefficient of property rights on GDP per capita	[1] × [2] × [3] Effect on GDP per capita (dollars)
Internal conflict dummy = 1	1	n.s.	22,768.41	n.s.
Executive tenure mean <sup>a</sup>	6.1128	0.0055	22,768.41	765
Executive discretion mean <sup>a</sup>	0.2214	0.1173	22,768.41	591
<b>Model C of table 4:</b>				
Internal conflict dummy = 1	1	n.s.	24,334.97	n.s.
Executive tenure mean <sup>a</sup>	6.1128	0.0042	24,334.97	625
Executive discretion mean <sup>a</sup>	0.2214	0.1122	24,334.97	605
<b>Democratic-constitutional monarchies vs. democratic republics</b>				
<b>Model D of table 4:</b>				
Internal conflict dummy = 1	1	n.s.	20,761.12	n.s.
Executive tenure mean <sup>a</sup>	6.1128	0.0055	20,761.12	698
Executive discretion mean <sup>a</sup>	0.2214	n.s.	20,761.12	n.s.
<b>Model E of table 4:</b>				
Internal conflict dummy = 1	1	n.s.	21,046.42	n.s.
Executive tenure mean <sup>a</sup>	6.1128	0.0045	21,046.42	579
Executive discretion mean <sup>a</sup>	0.2214	n.s.	21,046.42	n.s.

<sup>a</sup> Variable not mean-centered for this calculation. n.s.: not significant.

negative effect of internal conflict. This last result suggests that non-democratic and absolute monarchies, unlike the democratic-constitutional kind, can use repression to quench internal conflict (Cheibub, Gandhi, and Vreeland 2010; Gandhi and Przeworski 2006).

Our theoretical and empirical analysis is very much in line with the argument that contemporary monarchies underwent a historical process of legalization, which has made many of them more likely to offer additional protections of property rights. Thus, our research lends support to Max Weber's ([1922] 1978, 248) early insights, later developed from a comparative-historical perspective by Reinhard Bendix (1978). The evidence that the effects hold relative to parliamentary republics and democratic republics separately is consistent with Weber's ([1922] 1978, 1148) theorizing as well, except that parliamentary republics seem to be able to handle executive tenure as well as monarchies, and democratic republics to address executive discretion as effectively as monarchies.

The finding that democratic-constitutional monarchies are in a better position than non-democratic and absolute monarchies to address the abuses generated by executive tenure is consistent with the literature on clientelism and sultanism in the Middle East and North Africa (Goldstone 2011; Stepan, Linz, and Minoves 2014; Storm 2012; Tobin 2012, 41). Limited freedoms and the absence of democratic practices in that part of the world translate into a lack of transparency and accountability that monarchies typically fail to address. We also found that democratic-constitutional monarchies are better at constraining executive discretion than those that are non-democratic or absolutist. While Stepan, Linz, and Minoves (2014) describe different historical instances of these monarchies in which the sovereign attempted to exercise his or her veto power over legislation or over the appointment or dismissal of a head of government (e.g., Kuwait, Bahrain, Morocco, and Jordan), this countervailing effect has worked effectively on only rare occasions.

Our research has implications for the field of economic history. Instead of arguing that more constrained monarchies performed better between the 1600s and the 1800s (Acemoglu, Johnson, and Robinson 2001, 2005; De Long and Shleifer 1993; North and Weingast 1989; Weingast 2005), we highlight that monarchies attempt to reduce internal conflict, impose a long-term view on politicians, and constrain the executive branch. Thus, unlike previous research by economic historians and economists, we find a generally positive interaction effect of the monarchical form of government on property rights through each of the three mechanisms.

In addition to documenting the economic consequences of the persistence of traditional modes of political authority, the most important implication for political sociology is that the interaction effects with internal conflict and executive duration held even when making the comparisons to the parliamentary republics. These results put in perspective the idea that parliamentarism is a key mechanism providing for political accountability and stability (Lijphart 1992; Linz 1990). Our research indicates that monarchies create a beneficial effect above and beyond parliamentary republics. We also found that monarchies outperform democratic republics, whether presidential or parliamentary, in terms

of reducing the negative effect of internal conflict and of executive tenure, while the latter were better at providing additional checks and balances on the executive branch's discretion. These findings are consistent with an intriguing result in the existing literature, namely, that the average constitutional monarchy is much more open to international trade than the average democracy, an activity that thrives with the protection of property rights (Hankla and Kuthy 2013).

Our paper confirms the relevance of the sociological study of property rights for understanding contemporary economic phenomena (Carruthers and Ariovich 2004; Stark and Bruszt 1998; Walder 2011), the fundamental ramifications for political theory (Olson 1993; Przeworski 1991), and class dynamics (Block 2005; Mann 1986). The characteristics of the political system, including the form of government, translate into a property rights order that ultimately produces different economic outcomes. Whatever its merits and shortcomings, the market economy is based on property rights, whose protection is an eminently political and social issue.

Finally, our theoretical and empirical analysis speaks to central debates in economic sociology. The fundamental insight here is that there are wide-ranging variations across countries in terms of how states regulate property rights (Campbell and Lindberg 1990; Fligstein 1996). Those differences often result in distinct patterns of comparative societal advantage that shape market dynamics and render some countries more competitive in certain areas or industries than others (Biggart and Guillén 1999). Future research might explore, for example, the reasons why the constitutional monarchies of Europe are so open to trade, so competitive in higher value-added production, and so rich (Hankla and Kuthy 2013; Katzenstein 1985), and if their ability to cope with internal conflict, enhance a long-term policy orientation, and countervail the power of the executive branch are sources of competitive advantage in the global economy. Another avenue for future research would involve analyzing if the degree of protection of property rights has an impact on income inequality and on class dynamics, and if different political regimes moderate the effect.

At the highest level of abstraction, our analysis speaks to the long-standing debate about the resilience of traditional patterns of political authority and economic action in the contemporary world. As Bendix ([1964] 1996) wrote in the midst of a large-scale process of sociopolitical change driven by industrialization, secularization, and colonial emancipation, it is not necessary for societies to abandon all elements of tradition in order to become "modern" and do well economically. Inevitably, some aspects of tradition survive, and they blend with new institutions and practices. This paper provides systematic and robust evidence that in the contemporary world traditional patterns of rule are not only viable but also potentially conducive to, under certain conditions, better economic outcomes.

## Notes

1. Antigua, Bahamas, Bahrain, Barbados, Belize, Cambodia, Iraq, Jordan, Kuwait, Laos, Lesotho, Libya, Malaysia, Malta, Mauritius, Morocco, Nepal, Norway, Papua

New Guinea, Qatar, Romania, Samoa, Saudi Arabia, Solomon Islands, Sri Lanka, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Swaziland, Tonga, Trinidad and Tobago, Tuvalu, and the United Arab Emirates.

2. Albania, Jamaica, and Lesotho.
3. Afghanistan, Albania, Austria-Hungary, Bulgaria, Cambodia, China, Egypt, Ethiopia, Germany, Greece, Iran, Iraq, Italy, Laos, Libya, Malta, Mauritania, Mauritius, Portugal, Romania, Russia, South Africa, Spain, and Trinidad and Tobago.
4. The countries included in the sample are: Afghanistan, Albania, Algeria, Angola, Argentina, Armenia, Australia, Austria/Austria-Hungary, Azerbaijan, Bangladesh, Belarus, Belgium, Benin, Bolivia, Botswana, Brazil, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Canada, Central African Republic, Chad, Chile, China, Colombia, Comoros, Democratic Republic of Congo, Republic of Congo, Costa Rica, Croatia, Cuba, Czechoslovakia/Czech Republic, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Finland, France, Gambia, Gabon, Georgia, West Germany/Germany, Ghana, Greece, Guatemala, Guinea, Guinea-Bissau, Haiti, Honduras, Hungary, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Republic of Korea, People's Republic of Korea, Kyrgyzstan, Laos, Latvia, Lebanon, Lesotho, Liberia, Libya, Lithuania, Madagascar, Malawi, Malaysia, Mali, Mauritania, Mauritius, Mexico, Moldova, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, the Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Panama, Paraguay, Peru, the Philippines, Poland, Portugal, Qatar, Russia/USSR, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Slovak Republic, Slovenia, Somalia, South Africa, Spain, Sri Lanka, Swaziland, Sweden, Switzerland, Syria, Tanzania, Thailand, Tajikistan, Trinidad and Tobago, Togo, Tunisia, Turkey, Uganda, Ukraine, United Kingdom, United States, Uruguay, Uzbekistan, Venezuela, Vietnam, Yemen, Zambia, and Zimbabwe.
5. We coded the following monarchies as ethnically or linguistically diverse: Austria-Hungary, Belgium, Canada, China, Iraq, Morocco, Russia, Spain, and the United Kingdom.

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