Freedom and Stability in Contemporary Monarchies:

Testing the Theory of Monarchical Exceptionalism

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Abstract

This thesis investigates whether ruling monarchies are fundamentally different from other authoritarian regimes. The research question is "Does having a monarchical regime type increase the degree of political liberalization and the level of political stability?"

In recent years, observers have noted that Middle Eastern monarchies seem to have higher levels of political stability and more political freedom than the region's republics. This theory of "monarchical exceptionalism" is tested in the thesis.

The theory is tested by constructing a series of statistical models, and examining the effect of monarchy on different dependent variables. The analyses are performed on datasets covering the Middle East and the Asia-Pacific, a region with many former ruling monarchies.

The results indicate that monarchies in both the Middle East and the Asia-Pacific generally have higher levels of liberalization, but that some types of political freedom, such as religious freedom, might be lower in monarchies.

The results also indicate that Middle Eastern monarchies are more stable than the monarchies that have existed in the Asia-Pacific. Thus, although the latter group of monarchies have either collapsed or transitioned to constitutional monarchy in the past decades, the models reveal no indications of imminent regime change among Middle Eastern monarchies.

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Chapter 1 - Introduction

1.1. Research Question

The topic of this thesis is authoritarian monarchies – political regimes that are de facto ruled by a monarch. These regimes are considered a distinct subtype of authoritarian regimes, and will be compared to non-monarchical authoritarian rule. The research question is: Does having a monarchical regime type increase the degree of political liberalization and the level of political stability?

The research question is two-fold. To the extent that scholars have awarded attention to monarchical regimes, the dependent variable – claimed to be determined by regime type – has alternately been regime stability or political liberalization (see Anderson, 1991; Herb, 1999; Menaldo, 2012; Spinks, Sahliyeh and Calfano, 2008). Curiously, the explanations given for monarchies being more liberalized and for monarchies being more stable – either in the sense that they are less likely to be overthrown, or that they see lower degrees of political turbulence – are largely overlapping. As the review of extant literature on the topic will show, scholars generally attribute both stability and liberalization in monarchies to the same cultural, institutional and geopolitical characteristics of these regimes. This suggests that the literature on monarchies, whether they center on political liberalization or stability, are studying the same phenomenon, which in this thesis will be termed "monarchical exceptionalism." That phenomenon is the topic if this thesis. Thus, even though the research question is two-fold, the findings pertain to the same fundamental hypothesis. The analyses will investigate whether monarchism has a significant impact on both political liberalization and political stability, and will thus test the theory of monarchical exceptionalism.

The thesis will also examine the generalizability of the theory, by analyzing monarchies that are located outside of the Middle East. If any of the characteristics theorized to be endemic to Middle Eastern monarchies – such as increased levels of liberalization or stability – are found in monarchies in other regions as well, the theory that monarchism itself is the principal cause will be strengthened.

1.2. Motivation and Scientific Contribution

More than 20 years ago Anderson (1991) argued that despite the relative frequency and political significance of monarchical regimes in the Middle East, it was afforded little attention by political scientists studying the region, ignoring what the prevalence of

monarchism "might suggest about politics in the region or about political development more generally" (Anderson, 1991:1). There are few indications that this attitude has changed since then. As Yom and Gause (2012:76) state, "theorists of authoritarianism have largely neglected to study monarchies."

The Middle East is a region that receives much attention from both policymakers and political scientists. The region's oil exports constitute about 40% of the global oil market (Rumsey, 2012:41), and the US-led War on Terror has to a large degree taken place in the region (Burnell and Schlumberger, 2010:2). The Arab Spring and the faint prospect of democratization have only served to accentuate the importance of the Middle East. In this context, greater knowledge about the attributes of monarchical regimes would be highly beneficial. Not only is understanding general patterns of liberalization and democratization important, but monarchical and republican regime types do at first glance seem to have responded to the events of the Arab Spring differently. After a wave of protest in Tunisia in late 2010 ousted the long-time authoritarian president Zine al-Abidine Ben Ali, turmoil spread through the region. However, every instance of toppled autocrats, civil war and – with the notable exception of Bahrain – serious unrest has occurred in a republic (Yom and Gause, 2012). This is an indication that a greater focus on the mechanisms of monarchical regimes can uncover meaningful knowledge about politics and liberalization in the Middle East.

In addition to studying patterns of liberalization in the Middle East, understanding authoritarian regimes in their own right is also important. As Geddes (1999:121) points out, authoritarian regimes differ as much from each other as they do from democratic regimes. Despite of this, the dissimilarities between different kinds of authoritarianism have received much less attention than the study of democracies. Lust-Okar (2006) argues that institutions like parliaments and elections in authoritarian states are often assumed to have no function beyond providing the regime with a democratic façade. Further, if these institutions are awarded serious scholarly attention, the research focuses on the impact they might have on the probability of democratization, ignoring whatever consequences they may have for the operation of the regime itself. Brownlee (2002:478) warns about "democracy forecasting" in the study of authoritarian regimes, and argues that "to understand the politics of half the world's countries it is necessary to examine autocracies for generalizable statements about political and social life under authoritarianism." The study of monarchies as a subtype of

authoritarian regimes will contribute to the general understanding of authoritarian regimes – which according to Cheibub, Gandhi and Vreeland (2010) still comprised about 40 % of the world in 2008 – in their own right.

There is also a benefit in lifting the gaze from the Middle East. Extant literature on the topic of modern monarchies rightly focuses on the Arab monarchies of the Middle East, as they make up the vast majority of the today's monarchies. At the same time, there have been around a dozen ruling monarchs – depending on how you define the term monarchy – in other parts of the world in the years since 1950. The majority of these non-Arab monarchies are found in the Asia-Pacific region – the rest of them in Sub-Saharan Africa – and they will be part of the empirical scope for this thesis. This will help determine if the findings on Middle Eastern monarchies are generalizable to other monarchies. In addition to this, the Asia-Pacific is widely seen as a region of increasing importance. As indicated by China's emergence as a major player in global politics and President Obama's strategic "Pivot to Asia," the Asia-Pacific region might play a similar role of strategic importance in the coming century that the Middle East did in the previous (see Etzioni, 2012). In the light of this development, knowledge about regime dynamics in the Asia-Pacific is valuable.

1.3. Methodology

The thesis will use quantitative analysis to answer the research question. The effect of monarchy on different dependent variables will be estimated by constructing a series of models. The dependent variables in these models are operationalizations of the concepts of political liberalization and political stability. Each concept is separated into several subcomponents, and the effect of monarchy on each of these subcomponents is then measured. By analyzing a range of different dependent variables, the thesis constitutes a broad assessment of the theory of monarchical exceptionalism.

The models are based on panel data, and in order to control for the effect of confounding factors, multiple regression is used. The models that analyze continuous dependent variables use linear regression with Driscoll-Kraay adjustment of the standard errors. The dependent variables measuring political stability are binary, and will be analyzed using logistic regression. To analyze the within-group effects of monarchism separately from the between-groups effects, a framework described by Allison (2009) and Mundlak (1978) is used. It consists creating an instrumental variable for each time-varying explanatory variable in a

model and including both the instrumental variables and the original explanatory variables as regressors. The coefficient on the original variable shows the within-group effect of that variable, while each instrumental shows the difference between the between-groups effect and within-group effect. Following the recommendations of Rabe-Hesketh and Skrondal (2008), only the instrumental variables that show a statistically significant effect will be included in the final models. In this way, within-group and between-groups effects are only estimated separately when there are significant differences between the two.

1.4. Outline

The thesis begins with definitions of certain relevant concepts. Since monarchies in this thesis are studied as a subgroup of authoritarian regimes, the chapter first details the dichotomous definition of democracy created by Alvarez, Cheibub, Limongi and Przeworski (1996a). After that, a definition of monarchy is introduced, which builds on and combines definitions of monarchy created by Alvarez et al. (1996a), Cheibub et al. (2010), Norris (2008) and Hadenius and Teorell (2007). Finally, the two main concepts that monarchy is theorized to affect, political liberalization and political stability, are defined. Following Albrecht and Schlumberger (2004), liberalization is defined as the degree of political contestation and respect for basic human rights, while, following Jong-A-Pin (2009) the concept of stability is measured along the four dimensions of political violence, mass protests, regime stability and government stability.

After the definitions, a review of extant literature is presented. It first outlines the history of monarchy in the Middle East and in the Asia-Pacific, before summarizing the theory of monarchical exceptionalism. Since the theory hypothesizes a relationship between monarchy on one side and political liberalization and stability on the other, a final section covers certain other theories concerning liberalization and stability, focusing especially on theories relevant to explaining politics in the Middle East.

The next chapter covers the data that is used in the statistical analyses. The chapter first delineates the regions that will be studied. Neither the Middle East nor the Asia-Pacific has regional borders that are universally agreed upon. Next, the sources of dependent variables used are presented and discussed. The concept of political stability is analyzed using four different variables, two measuring respect for basic rights and freedoms and two measuring political contestation. Since these variables are unavailable for many of smaller states in the

Asia-Pacific, a different set of variables are used test whether any findings concerning political liberalization in the Middle East are generalizable to the Asia-Pacific. Political stability is measured using four binary variables, measuring mass protests, political violence, regime instability or government instability. The chapter concludes with a review of the explanatory – or independent – variables that are included.

Following the data chapter details the methods that are used and the methodological considerations that have been made. The chapter explains the hybrid model of fixed and random effects that is used to distinguish between within-country and between-countries effects. It also details the standard error adjustments that are made in the models to account for serial correlation, heteroscedasticity and cross-sectional dependence, before explaining the use of logistic regression models.

The analysis chapter first presents and briefly discusses four tables of models. Each table presents the results of between four and six statistical models concerning one area of study: liberalization in the Middle East, stability in the Middle East, liberalization in the Asia-Pacific, and, finally, stability in the Asia-Pacific. After all the models have been presented, several model diagnostics are put forward, testing assumptions and methodological choices made in the construction of the models. The final section of the analysis chapter consists of a discussion of the results, which summarizes and compares the findings in the different models.

The findings of the thesis confirm aspects of the theory of monarchical exceptionalism, but also reveal certain patterns that are contrary to the expectations. Concerning levels of political liberalization, the findings lead to the conclusion that monarchies are indeed significantly different from republics. However, there are no conclusive evidence that monarchies are generally more liberalized than non-monarchies, as the effect of monarchy in several cases is shown to be negative. Although the relationship between monarchy and liberalization is far from straightforward, the results are surprisingly similar in the models focusing on the Asia-Pacific. The analyses of political stability are more conclusive, and show that monarchies in the Middle East are considerably more stable than republics. These results, however, are not found in the Asia-Pacific. This indicates that monarchies in the Middle East are exceptionally stable compared to both Middle Eastern republics and monarchies in the Asia-Pacific. A major caveat to this conclusion is that the causal assumptions behind this finding cannot be

decisively confirmed. The survival of stable monarchies and collapse of unstable monarchies (into republics) leads to a potential confirmation bias, and suggests that political stability in monarchies could be caused by factors other than regime type itself.

Chapter 2 - Definitions of Key Concepts

2.1. Democratic and Authoritarian Regimes

A regime can be defined as the set of structures and procedures that determines the formal and informal rules of the political process (Remmer, 1984:138). regimes In order to categorize political regimes as either democratic or authoritarian, this thesis will follow Alvarez et al. (1996a), whose definition of democracy is based on the presence of political contestation. A democratic regime is one in which "some governmental offices are filled as a consequence of contested elections" (Alvarez et al., 1996a:4). For an election to be considered contested, it must fulfill three criteria: there must be a chance, however minute, that the incumbent lose the election (ex ante uncertainty); the winner of the election must be the one who takes office (ex post irreversibility); and elections must be held regularly (repeatability). This definition is based on a dichotomous understanding of regimes – any political system that does not meet the criteria of being democratic is by definition an authoritarian regime.

In addition to defining the concept of democracy, Alvarez et al. (1996a:7-14) describe the concrete process of operationalizing and applying the concept in the dataset accompanying their paper. The chief executive – in most cases the president or prime minister – must be directly elected, or selected by a directly elected body; the legislature must be popularly elected; elections must be between two or more political parties; and there must be alternation in power. The three first rules are relatively straightforward, while the fourth – the alternation rule – is more problematic. The reasoning behind the fourth rule is the following: if the same party wins every election, there is no way of knowing whether it would yield in the face of an election loss (as happened in Japan in 1993) or turn to repression or fraud to retain power (as happened in Malaysia in 1969 and Mexico in 1988). In cases such as Japan, Malaysia and Mexico, hindsight provides the information needed to classify regimes – Japan is coded as democratic between 1955 and 1993 because the Liberal Democratic Party yielded power in 1993, and Malaysia is coded as authoritarian in the period 1957-1969 because the incumbent party declared a state of emergency when losing the 1969 election. In other cases, such as contemporary Russia, we are not afforded the luxury of hindsight. In such cases of doubt, Alvarez et al. choose to err on the side of caution: if an incumbent party has held power for more than two terms and has never previously lost an election and yielded power, the regime is considered authoritarian.

Alvarez et al.'s conceptualization of democracy has been criticized on several grounds. The notion that regimes can be neatly organized into two distinct groups is by no means supported by a broad consensus in the literature. Bollen (1991) considers the concept of democracy to be inherently continuous. He argues that since indicators such as the fairness of elections and inclusiveness of the franchise are measured in degrees, categorizing regimes dichotomously "leads to a crude lumping of countries into the same category when in reality they have very different degrees of political democracy" (Bollen, 1991:9).

In a similar vein, Reich (2002:4) criticizes dichotomous measures of democracy for failing to reflect the co-existence of democratic and authoritarian tendencies that occurs in many political regimes. Reich addresses this problem by adding a third category, semi-democracies, that are neither fully democratic nor fully authoritarian. This ties into a growing body of literature concerned with so-called hybrid regimes. As many of the democratic transitions in the "third wave of democracy" seemed to stall, increased attention was given to the resulting regimes – hybrids of authoritarianism and democracy (Bogaards, 2009). A host of different labels have been applied to these regimes, such as competitive authoritarian (Levitsky and Way, 2002), electoral authoritarian (Schedler, 2002), pseudodemocratic (Diamond, 2002) and, as mentioned, semi-democratic (Reich, 2002), but they all testify to a grey area between democracy and authoritarianism.

A dichotomous definition does, on the other hand, offer certain advantages. The topic of this thesis is neither democratization nor hybrid regimes, but rather monarchies as a subtype of authoritarian regimes. Alvarez et al.'s definition of democracy will thus primarily serve to delineate the empirical scope of the thesis: authoritarian regimes. In this context, using a gradation of democracy or including hybrid regimes as a separate category would only be a distraction. This approach follows Collier and Adcock (1999:562), who, in a discussion of dichotomies and democracy, argue that "justifications for the use of a dichotomous or graded approach are most productive when they focus on specific arguments about the goals and context of research."

Alvarez et al.'s definition has also been criticized for solely relying on elections. Bogaards (2007) finds that using election outcomes to measure democracy leads to misclassification of several regimes, and that indices relying on elections often fail to correspond with each other or indices relying on a broader array of indicators, such as the Freedom House index. He

concedes that using elections can be appropriate when measuring western democracies, where one-party dominance rarely occurs, or when detecting one-party states, but argues that in some regions, like Africa, authoritarian regimes that allow multiparty elections and parliamentary opposition renders election outcomes less fruitful as a regime indicator. Bogaards' (2007:1233) solution to this is a greater focus on the "structure and process of competition" rather than the outcome of elections. Reich (2002) is also critical of what he terms an "electoral bias" in some definitions of democracy. Ignoring other aspects of a political regime, such as the treatment of the opposition or attitude towards free press, could, according to Reich, lower the validity of the measure.

This criticism is highly relevant, and reveals certain weaknesses in Alvarez et al.'s approach. Measuring democracy by looking at the outcome of elections, might indeed lead to underappreciating other aspects of political regimes. For instance, the dominance of ANC in all post-apartheid South African elections causes the country to be regarded as authoritarian according to the rules created by Alvarez et al. (1996a). Because of this, the political transition in South Africa during the early 1990s is not reflected in the data. At the same time, the strict rules laid down by Alvarez et al. do ensure a high degree of reliability. Munck and Verkuilen (2002), in their comparison of different indices of democracy, commend Alvarez et al. for creating a set of unambiguous coding rules. This is in contrast to the popular Freedom House index, which offers no clear description of how the cases are coded (Munck and Verkuilen, 2002:19). Despite its shortcomings, the classification of democracy and the procedure of coding it laid out by Alvarez et al. (1996a) is preferable. It is systematic in its conceptualization and application, and should therefore yield more rigorous results.

The terms autocracy, dictatorship and authoritarian regime will be used interchangeably.

2.2. Monarchy

On the face of it, the concept of a monarchy seems relatively straightforward to define. There are, however, certain clarifications that must be made. As the following section will show, different attempts at defining and operationalizing the concept have yielded differing results.

Since this thesis utilizes the conceptualizing of democracy created by Alvarez et al. (1996a), their understanding of monarchy is a natural starting point. While they do not explicitly specify the definition of monarchy they used in creating their dataset, Cheibub et al. (2010),

whose dataset builds on and extends the Alvarez et al. (1996a) project – and whose monarchy-variable is identical to that of Alvarez et al. – explain in detail how they measure monarchical regimes. They state that a monarch is someone who "first, bears the title of 'king' or 'emir', and, second, takes power or is replaced by rules of hereditary succession" (Cheibub et al., 2010:88). At first glance, this seems to be a sufficient definition. A closer inspection, however, reveals certain issues. They consider Libya to be a monarchy from its independence in 1951 to 1969, despite its ruler in this period, King Idris I, neither taking power nor being replaced according to rules of hereditary succession. Idris proclaimed himself Emir of Cyrenaica in 1949 with British support, and later became king of the newly independent Libya. He was deposed in a coup in 1969. Despite this, Libya is considered a monarchy during the time of his rule, revealing a flaw in the Cheibub et al. definition and operationalization of monarchy. Looking outside of the Middle East reveals similar issues. Samoa (formerly known as Western Samoa) is regarded as a monarchy by Cheibub et al. (2010). The position of head of state – titled neither king nor emir, but instead bearing the lyrical title of "O le Ao o le Malo" – was originally bestowed by the 1960 constitution on the nation's two most prominent chiefs as life-time positions. After they were both deceased, which occurred in 2007, a successor was to be elected by parliament for five-year terms (Hassall and Saunders, 2002:41). This does not seem to meet Cheibub et al.'s criterion of hereditary succession. However, the first successor to the office, elected unopposed in 2007, and re-elected in 2012, is the son of one of the original heads of state (Laracy, 2008). As with Libya, Samoa's fit into Cheibub et al.'s definition of a monarchy is awkward.

Other definitions of monarchism are also somewhat lacking. Norris (2008:136-139) defines ruling monarchy as a regime with three characteristics: power is centralized in the ruling monarch, succession of power is based on dynastic inheritance, and the monarch cannot be deposed against his will. One problem with this definition is that Norris never specifies exactly what a monarch is. Unlike Cheibub et al. (2010), Norris recognizes that a monarch can have a number of different titles – sultan, emir, heavenly emperor – but still does not attempt to distinguish between North Korea's Great Leader and Malaysia's Paramount Ruler – the former being regarded as a president while the latter is described as a (non-ruling) monarch. The criterion of succession also poses a problem. Norris states that an "established" monarchy is one where power has passed according to the rules of succession for over two generations. This is a stringent rule, but it does not seem to have any consequences for Norris'

coding. Jean-Bédel Bokassa, who declared himself the first emperor of Central Africa in 1976, after coming to power through a coup d'état ten years earlier, and who was deposed in 1979, is regarded as a monarch despite only having no royal predecessor or successor. It is therefore unclear how dynastic succession is necessary for a regime to be considered monarchical.

Hadenius and Teorell (2007:146) defines a monarch as someone of royal descent who inherits power in accordance to tradition or the constitution. They also explicitly state that for a regime to be considered monarchical, the monarch must exercise real power. This definition excludes Emperor Bokasa I of the Central African Empire, since he did not inherit his position, and Kim Jong-il, since his rise to power was not in accordance to tradition or the constitution. It does, however, mean that the first ruler of a kingdom cannot be considered a monarch, since he or she did not inherit power. It also does not further specify what is meant by royal descent.

This thesis will employ a synthesis of the preceding definitions of monarchy. First, a regime can only be considered to be monarchical if the office of head of state is a lifetime position that holds a considerable degree of power. This rules out symbolical heads of state found in many parliamentary democracies and some authoritarian regimes, like Thailand between 1932 and 1972. It also rules out authoritarian regimes in which the head of state is regularly replaced. Secondly, a head of state can only be regarded as a monarch if he or she was of royal descent before rising to power, or was succeeded through a dynastic process. This corresponds with the opinion of Hadenius and Teorell (2007:146) that "one cannot simply proclaim oneself a monarch," but still identifies as a monarch both Idris of Libya – since he was head of the Sanusi dynasty before becoming king (Herb, 1999:186) – and Reza Shah of Iran – who was not born into a royal family , but was succeeded to the throne by his son. The self-declared Emperor Bokasa of Central Africa was neither of royal descent nor succeeded dynastically and is consequently not regarded as a monarch. According to this definition, the Pahlavi dynasty of Iran was established when Mohammad Reza Pahlavi succeeded his father to the throne, and Reza Shah would have been considered a non-monarchical ruler like Bokasa of Central Africa if the succession had not taken place.

One weakness of partly basing the definition of a ruling monarch on dynastic succession is that it can only be employed retroactively. According to the criteria outlined above, Reza

Shah would only be defined as a monarch the moment rule was successfully passed on to his son. Luckily, since there is currently no ruler in the world claiming to be a monarch without being of royal descent, this will not pose a problem.

A few aspects of this definition require further clarification. The term royal descent is to be interpreted broadly, and refers to any inherited title of nobility. Furthermore, dynastic succession does not simply mean the passing of power from father to son, but rather, following the example of Hadenius and Teorell (2007), succession based explicitly on kinship, according to tradition or the constitution. Another issue is how much power a monarch must have for the regime to be considered monarchical. In this regard, this definition again follows Hadenius and Teorell (2007:146), who simply posits that the monarch must exercise "real political power."

Despite these clarifications, there are still a few unclear cases. The United Arab Emirates will be considered a monarchy, as Cheibub et al. (2010) and Hadenius and Teorell (2007) do, but Norris (2008) does not. Even though the head of state is titled president, and is reelected every five years by the rulers of the seven emirates, tradition dictates that the position be held by the emir of Abu Dhabi, which is a lifetime position. As Davidson (2008:120) argues, "rulership of Abu Dhabi remains synonymous with the presidency of the UAE." This means that the UAE meets the definition of monarchy, as outlined above. Samoa will be considered a monarchy until 2007. The country's two heads of state between independence in 1962 and 2007 – who held the position jointly until 1963 – were both heads of the most prominent families in Samoa (Laracy, 2008:11) and held the noble titles of Malietoa and Tupua Tamasese, respectively (Hassall and Saunders, 2002:41). They are therefore considered to be of royal descent. In addition, the constitution specified they both had a lifetime position. After the last of the two passed away in 2007, the new head of state is elected for five-year terms. Since the position of head of state is no longer a lifetime position, Samoa is no longer classified as a monarchy.

In sum, a ruling monarch must (A) be in a lifetime position, and (B) exercise real political power. Furthermore, a monarch must either (C_1) be of royal descent before coming to power or (C_2) be succeeded dynastically, in a process based on tradition or the constitution.

For the for the sake of convenience, constitutional monarchies such as Japan, Malaysia or Thailand, will be referred to as non-monarchies or republics in this thesis.

2.3. Political Liberalization

Political liberalization will be defined as "a reform of a regime by the relaxation of government controls on the political activities of citizens" (Bratton and van de Walle, 1997:282), while democratization is understood as a transition to a democratic regime as defined above. Further, the concept of liberalization will be divided into two subcomponents: a broadening of the scope of political contestation and increased levels of basic freedoms. This follows Albrecht and Schlumberger (2004), who understands political liberalization as "a widening public sphere and a greater (…) degree of basic freedoms." Although the two components of liberalization are often concomitant, the models used in this thesis will measure them separately. This will avoid reducing variations of nondemocratic regimes to a one-dimensional scale of "more" or "less" authoritarian, and thus allow for more accurate analysis.

Furthermore, it must be stressed that the phenomenon of interest is liberalization, and not democratization. Democratization as a topic is of limited empirical relevance in the Middle East. Albrecht and Schlumberger (2004:371) likens the study of democratization in the Middle East to Waiting for Godot, as "the main character just never shows up." Events since 2010 might change that, but the Arab Spring has yet to bring about any consolidated democracies, and, in any case, the statistical data that will be employed mostly precede the events of 2010.

This is not meant to imply that liberalization and democratization are wholly independent processes. However, the relation between the two is contested. Some scholars posit that partially liberalized dictatorships have a higher likelihood of democratization. Brownlee (2009) finds that the introduction of some genuine political contestation in authoritarian states significantly increases the chances of a later transition to democracy. Contrariwise, Schlumberger (2000:118,123) contends that the partial liberalizations seen in the Middle East simply are instruments used by the incumbent regime to vent popular dissent, merely resulting in "changed patterns of co-optation" and a more secure position for the regime. Of relevance to the topic of this thesis, however, is that political liberalization and democratization are

separate processes, and that liberalization is neither synonymous with, nor necessarily an antecedent of, democratization.

The distinction between liberalization and democratization should be theoretically and substantively intuitive, but much of the literature on authoritarian regimes and the Middle East does not adequately differentiate between the two, and focuses exceedingly on the latter. Anderson (2006:209) argues that political science has had a "disciplinary bias toward democracy" which "cast a bright light that confused and distorted the research agenda in the study of Middle East politics." Although scholars are acutely aware of the distinction between democratization and liberalization, their terminology does not always reflect this. For instance, Spinks et al. (2008:323, 326), in an otherwise insightful article, state that Jordan and Kuwait "are nearing democratic transition" and that monarchies' tolerance of a limited opposition creates "democratic stability." Although Jordan and Kuwait have made strides towards more political openness in the past decades, they remain decidedly undemocratic. This thesis will be consistent in considering seemingly democratic reforms, such as the reopening of the Bahraini legislature in 2002 or the 2006 electoral reform in Kuwait (see Ehteshami and Wright, 2007), as manifestations of political liberalization and not harbingers of democratization.

The terms liberalization and political liberalization will be used interchangeably.

2.4. Political Stability

Some studies of the determinants or consequences of political stability employ composite, uni-dimensional indices to measure the degree of instability (see Marcus, Islam and Moloney, 2009; Menaldo, 2012). There is, however, a substantial body of literature addressing the multi-dimensionality of the concept (see Feierabend and Feierabend, 1966; Hibbs, 1973; Morrison and Stevenson, 1971; Rummel, 1966). As Rummel (1966) argues, "[c]onflict behavior within nations may take a number of forms." This thesis will maintain the multi-dimensionality of political instability, by dividing it into four dimensions. Following Jong-A-Pin (2009) and Klomp and de Haan (2009), political instability will be measured according to the following dimensions: politically motivated violence, mass civil protests, government instability and regime instability.

The first two dimensions, violence and protest, are congruent with what Hibbs (1973) terms "the two dimensions of mass political violence": internal war and collective protest. Violence refers to instances of politically motivated violence such as guerilla warfare or political assassinations, while protest refers to collective political acts such as riots, strikes or demonstrations.

The two remaining dimensions are government and regime stability. They are familiar from the study of democratic regimes, especially the debate between presidentialism and parliamentarism (see Mainwaring, 1990:165-166). While government instability refers to frequent cabinet changes or fractionalized government coalitions, regime instability refers to the durability of the regime itself. Although the two are often conflated, they are best understood as entirely separate concepts, as cabinet changes may or may not have an actual impact on the stability of the regime itself.

Chapter 3 - Review of Extant Literature

3.1. A Historical Outline

Monarchy in the Middle East

The practice of hereditary succession and absolutist personal rule has long traditions in the Middle East, although few of the eight remaining monarchies in the region have a history stretching back more than a century. The Arabic title *malik*, which is the term most commonly translated to king, had largely negative connotations in the region before the twentieth century. As detailed by Lewis (2000), kingship was generally considered un-Islamic – almost secular – and contrasted with the religiously sanctioned *caliphate*. This had changed by the early twentieth century, when Sharif Hussein declared himself king of the Hijaz in 1916. The title was chosen in order to emulate European monarchs, who since the expansion of western imperial power into the Middle East in the nineteenth century had been held in increasingly high regard, as "symbols of potency and high standing" (Ayalon, 2000:25).

When the Ottoman Empire crumbled at the end of World War I, monarchy became the preferred type of regime in the newly formed Arab states. Ayalon (2000) describes two categories of Middle Eastern monarchies that existed in the nineteenth century. One group of monarchies arose in tribal societies – a majority in the Arabian Peninsula, but also in the relatively underdeveloped Transjordan. In these countries, foreign influence was relatively weak and the monarchs often retained titles like emir, sultan or imam. Other monarchies took greater strides towards modernity. In this group of monarchies, we find Egypt, Iraq, the short-lived kingdom of Syria and to a certain extent Libya. Countries in this category attached a greater importance to sovereignty and the construction of a modern state apparatus. The monarchs of these countries took the title king, and were often compelled to accept nominal limitations to their power, by means of parliaments and constitutions. Despite the trappings of constitutional government, however, these kings were largely able to prevent any genuine separation of powers (Ayalon, 2000:31-33). In addition to the monarchies in the two categories described thus far come the ones that were already in existence at the turn of the twentieth century: Morocco, Iran and the Ottoman Empire.

While several of the newly established monarchies faced internal upheaval in the 1920s and 30s – such as Shi'ite revolt in Iraq and the subjugation of the Ikhwan in Saudi-Arabia – more decisive antimonarchical threats arose later (Ayalon, 2000; Kostiner, 2000). Monarchy as a

regime form was beginning to lose its appeal by the end the Second World War. In the course of the 1950s, the kings of Egypt and Iraq were overthrown by leftist inspired coups d'état, with their Yemeni and Libyan counterparts following suit in the 1960s. As Ayalon (2000) points out, the seemingly modern-oriented monarchies were the first to be toppled. With the defeat of Egypt and Syria to Israel in 1967, however, the impact of the revolutionary and antimonarchical movement of the Middle East, led by the charismatic Nasser, was fading, reducing the immediate threat against the remaining Arab monarchies.

The eight Arab monarchies that survived the tumultuous 1950s and 60s can according to Halliday (2000) be divided into four groups. Morocco and Oman were both established sultanates that transitioned to statehood with colonial support; Jordan was entirely a British creation; Saudi Arabia came about as a result of tribal conquest; and the smaller states in the Persian Gulf were towns that became states largely due to oil and colonial initiative.

Monarchy in the Asia-Pacific

Monarchy has deep roots in the Asia-Pacific. Hassall and Saunders (2002:14) count as many as forty "kingdoms, principalities and sultanates" in Southeast Asia before the advent of colonialism, while according to Vatikiotis (1996:61), "most polities in the region" were monarchies at some point. In addition to these, come the numerous monarchies found in the Pacific islands. While colonial intrusion into the Asia-Pacific in many cases proved disruptive, the Europeans often co-opted traditional structures of power rather than replacing them. The fate of the monarchy was sometimes sealed by colonial rulers (Tahiti, Hawaii) and other times by post-independence developments (Afghanistan). In yet other cases, the monarch was transformed into a figurehead with largely symbolic powers soon after independence (Malaysia, Cambodia) or survived as an effective ruler well into the modern era (Brunei, Bhutan, Nepal, Samoa, Tonga).

The monarchies of the Asia-Pacific region are not as uniform as the ones found in the Middle East. Despite this, there are certain parallels. Halliday (2000) finds that the monarchies of Thailand and Nepal can be likened to Morocco, as they all were established outside of an colonial context and are legitimized by religion, and that Brunei shows similarities to the gulf monarchies, in that they to a significant degree have been sustained by British colonial suzerainty and oil revenue. Another shared characteristic is the generally small size of monarchies. In 2005, the average population among the monarchies of the Asia-Pacific was

5.7 million people, while the average in non-monarchies was 98 million (35 million if China and India are excluded).[1] The equivalent averages for the Middle East is 8.8 and 18.6 million, respectively, which indicates a similar, though not as great, difference in size.

There is one key aspect in which monarchies in the Asia-Pacific diverge from those in the Middle East: their resilience. Unlike their Arab counterparts, the monarchies of the Asia-Pacific have largely succumbed to the challenges of modernity. As mentioned, some monarchs were stripped of most of their powers and became symbolic figureheads soon after independence. The Cambodian king abdicated in 1955 in order to govern as a prime minster and his father succeeded him as a figurehead king, while the post-independence Malaysian constitution, which came into force in 1957, ensured that the head of state was a constitutional monarch (Vatikiotis, 1996:53, 71). Similarly, the absolute monarchy of Thailand was abolished in 1932. In addition to these, a striking number of the remaining monarchies have undergone political transitions in the past ten years. The Nepalese monarchy was abolished in 2008, after a turbulent recent history. In 1990, a parliamentary democracy was established and the erstwhile absolute powers of the king were restricted until 2002 when, while Nepal was in the midst of civil war, a new king took control of the government. This lasted until 2006, when a pro-democracy movement prompted the parliament to be reinstated (Parajulee, 2010). Other monarchies that transitioned in the same period are Samoa, where the office of head of state ceased to be a lifetime position after 2007, and Tonga and Bhutan, which have both seen developments towards a transfer of power from the monarch to the prime minister and the parliament in the past ten years (Kennedy, 2012; Turner, Chuki and Tshering, 2011). After pro-democracy protests in 2006, the Tongan king agreed to establish a popularly elected parliament and gave up his right to appoint the prime minister. The first democratic elections were held in 2010. Bhutan has seen a gradual transition to democracy since 1998, initiated by the previous king. Although the king retains some power, the legislative assembly is largely composed of democratically elected members, and the cabinet now governs without the need for royal consent. Brunei remains as the sole example of a unqualified ruling monarchy in the Asia-Pacific (Case, 2012).

[1] The data is gathered from the Cross-National Time-Series Data Archive (see Banks and Wilson, 2012), and based on the definition of the region as detailed in chapter 4.

3.2. Monarchical Exceptionalism

To the extent that scholars have awarded attention to ruling monarchies, they have generally sought to describe and explain differences between monarchical and republican regimes on a range of variables. Anderson (1991, 2000) seeks to explain the resilience of monarchical regimes, which contradicts conventional expectations on modernization. Similarly, Yom and Gause (2012) emphasize the relative absence of political instability in the monarchies of the Middle East compared to the republics, both before and during the Arab Spring. A related, but different vein of inquiry looks at political freedom in contemporary ruling monarchies. Lucas (2004) argues that while there is little difference between monarchies and republics in the Middle East when it comes to democracy, monarchies do display higher levels of general political liberalization. Lust-Okar and Jamal (2002) assert that a certain degree of political pluralism and more diverse representation of societal groups are evident in monarchies. Herb (2004) suggests that monarchism might even provide a particular path towards democratization in the region. Finally, Spinks et al. (2008) and Menaldo (2012) attribute causal effects of monarchism on a number of dependent variables. Spinks et al. conclude that monarchies are "less repressive, provide greater economic and press freedoms, and improve quality of life relative to the republics," while Menaldo contends that monarchies, in addition to being less prone to political unrest, have a higher quality of government, more secure property rights and higher levels of economic growth.

As the preceding paragraph shows, ruling monarchies are hypothesized to be distinct from other authoritarian regimes in several aspects. Taken together, these areas make up what this thesis terms monarchical exceptionalism. Despite focusing on different dependent variables, the authors mentioned above are all contributing to the theory of monarchical exceptionalism. The following section will further review arguments of why monarchies are dissimilar from non-monarchical regimes.

Cultural aspects

A traditional explanation of the distinctiveness of monarchical regimes is that monarchs have a greater degree of legitimacy than their republican counterparts. If a ruler is to maintain his or her position without relying on brute repression, their rule must be regarded as legitimate, to one degree or another, by the population or sections of the population. Moreover, the lack of democratic legitimacy represents an inherent challenge to any authoritarian ruler (Albrecht

and Schlumberger, 2004:372-373). A monarch's legitimacy is instead derived from other sources. For instance, the al Saud dynasty is directly tied to the formation of the Saudi Arabian state, while the kings of Jordan and Morocco both claim to be descendants of the Prophet Muhammad.

Spinks et al. (2008) argues that the Middle Eastern monarchs generally command higher levels of legitimacy than republican rulers, and that this legitimacy leads to a propensity towards liberalization. Although many monarchies were created by foreign powers, monarchical rule is considered traditional, in that "tribal social structures and Islam are the basis of politics" (Gause, 1994; cited in Spinks et al., 2008:335). By basing their rule on religion, tribal tradition or a sense of kinship between ruler and ruled, monarchies employ traditional symbols and institutions of Arab culture to increase their legitimacy and sustain their rule. This is in stark contrast to the region's republican regimes, many of which were established through military coups and have fluctuating levels of legitimacy. The higher levels of legitimacy enjoyed by monarchs strengthen their position and allows for partial liberalization without endangering the regime. Republican rulers, on the other hand, must often resort to military repression to maintain their power, since the low levels of regime legitimacy renders them more vulnerable. The authors qualify their findings by pointing out the altogether low levels of political liberalization in the region, but nevertheless argue that regime type matters, and that "monarchies are more likely to respect their citizen's personal integrity rights, freedom of the press, and meet their basic human needs than the republics" (Spinks et al., 2008:338).

Menaldo (2012) – observing that the Arab Spring mainly has caused unrest in republics – focuses on political instability, and finds a causal relationship between monarchical regimes and political stability. In addition to their institutional preference for inclusive ideologies – which is further outlined below – Menaldo emphasizes monarchs' reliance on Islamic principles to cultivate their legitimacy. By "appealing to ethical and legal principles inspired by Islam" monarchs have built trust in the population and pacified opposition movements that might otherwise pose a threat to the regime (Menaldo, 2012:711).

Other scholars resolutely reject cultural explanations of monarchical exceptionalism. Anderson (1991) points out that monarchical rule simply is not indigenous to the Middle East, but rather a result of European imperial policy, and that there is no reason why traditional

forms of rule in and of themselves should cause stability or liberalization. Yom and Gause (2012:75) accuse cultural arguments of representing long since discarded "Orientalist logic," and argue that they cannot be falsified.

Institutional aspects

Monarchies are also said to hold several institutional characteristics that set them apart from republican regimes. Anderson (1991, 2000) looks at the stability and resilience of monarchies and claims that monarchical regimes have certain advantages when it comes to state- and nation building. Monarchs can more easily retain the support of existing elites, while at the same time engaging in processes of modernization – centralization of power, introduction of taxation and a market economy – that in the long run undermines the position of these elites. By contrast, republican regimes have historically relied on revolutionary or populist rhetoric, which can both alienate the old elites and cause disillusion among the still-disenfranchised masses. This perspective is, in part, contrary to the argument put forward Huntington (1968), known as the "king's dilemma," that monarchs are unable to incorporate the social groups that are created by modernization, and that monarchism is largely unsustainable in the modern world. In Andersons view, the "sleight of hand" of modernizing monarchies allow for an incremental and less disruptive construction of a modern state apparatus.

In terms of nation building, Anderson (2000) posits that the institution of monarchy better accommodates the pluralist societies that arose as a result of colonially drawn borders. Monarchs could act as a symbol of the fledgling nation and stand above ethnic or regional identities. Republican leaders, however, often championed the cause of pan-Arab nationalism, which neither strengthened the identity within the nation-state, nor accommodated ethnic minorities (Lucas, 2004:107, 112). Menaldo supports this view, and contends that the anti-imperialist ideologies of Nasser, Gadaffi and the Arab-nationalist Baathists were fundamentally divisive, encouraging zero-sum competition between political elites. Monarchs, on the other hand, have been able to "appeal to, and balance between, different social groups" (Menaldo, 2012:711-712), something that has engendered a greater degree of long-term political stability.

The idea of the monarch as an institution that stands above opposing groups in society has also been said to have a positive effect on political participation. Richards and Waterbury (2008) argue that monarchs are adept at regulating competition between interests, and that

they strive to portray themselves as "disinterested but authoritative" arbiters between opposing interests, without whom the political system would descend into chaos. For this system of paternalistic mediation to work, the monarch is dependent on a "plethora of interests, tribal, ethnic, professional, class based, and partisan" that compete with each other (Richards and Waterbury, 2008:312). Although Middle Eastern monarchs have remained decidedly authoritarian rulers, their position as standing above the factions of society has strengthened civil society and allowed for certain democratic practices, such as contested elections. Lucas (2004:112-114) agrees that limited liberalization is a more viable survival strategy for monarchs, because an active civil society creates opportunities for divide-and-rule tactics.

As well as increase the chances of liberalization, regime type is said to affect which institutions that are set up during a liberalization process. Lust-Okar and Jamal (2002) argue that, since monarchs thrive when political groups are divided, they prefer multi-party systems and proportional electoral rules. Presidents, on the hand, base their power on a political party, and favor electoral rules that maintain the domination of the pro-regime party. As a result, parliaments in monarchical regimes tend to be more inclusive and representative than those in republics (Lust-Okar and Jamal, 2002:360-361). Note that the argument is not that monarchs are democratically inclined, but that a certain degree of political contestation is a byproduct of the institutional preferences of a liberalizing monarch.

Finally, the practice of dynasticism has been linked to resilience of monarchical regimes. Herb (1999) finds that the monarchies that survived the turbulent 1950s, '60s and '70s did so because family members of the ruling monarch were given prominent positions in the state apparatus and thus had a stake in survival of the regime.

Economic and geopolitical factors

Yom and Gause (2012) assert that neither cultural nor institutional factors sufficiently account for monarchical exceptionalism in the Middle East. Since there are numerous examples of monarchies being toppled, referring to deep-seated cultural legitimacy to account for the surprising resilience the remaining monarchies is not adequate. Similarly, institutional structures favored by monarchs might well ensure the stability of their rule, but this does not explain why some monarchs remain in power while others are toppled. As the authors note, "royalism has hardly guaranteed authoritarian perpetuity" (Yom and Gause, 2012:75). In

addition to the support from diverse groups in society – as detailed above – and the access to oil rents – which will be elaborated upon below – much of the stability of monarchical regimes can be attributed to foreign assistance. The authors show that all the current Middle Eastern monarchies have been awarded diplomatic, economic or military assistance. In most cases, the benefactor has been the United States, but Saudi Arabia has also become a key regional player – most recently in suppressing demonstrations in Bahrain in 2011. Moreover, the wealthiest monarchies have granted economic assistance to countries like Jordan and Morocco, which have little or no oil resources. Thus, the stability of monarchical regimes in the Middle East could be explained by their access to foreign support.

3.3. Alternative Theories of Liberalization and Stability

The preceding section detailed how monarchism is argued to have a causal impact on variables such as political liberalization, democratization and political stability. There is, however, no dearth of hypotheses relating to these topics. Since they concern a similar set of dependent variables as the theory of monarchical exceptionalism – liberalization and stability – they can in some cases be regarded as alternative explanations. An illustration of this can be found in Lucas (2004:110-111), who suggests that Herb (1999) downplays the importance of oil rents when attributing the surprising survival of Middle Eastern monarchies to the practice of dynasticism. As they are relevant to any discussion of the effects of monarchism, the following section will review certain central explanations of democracy and political stability.

Modernization theory

An early and important contribution to the study of democratization was made in the 1950s and 1960s by modernization theory. It was based on the observation that functional and stable democracy largely occurred in affluent countries. In his seminal work, Lipset (1959) outlines the central argument of modernization theory: economic growth entails a process of modernization which is associated with democracy. In short, affluence and modernization increases the chances of a transition to democracy and increases the stability of a democratic regime. Modernization itself consists of a number of processes, such as higher levels of education and literacy, industrialization, urbanization, more effective means of communication, and a growing middle class. Lipset and other modernization theorists argue that economic development, through several mechanisms, is both a causal factor of, and a precondition for, democracy.

Modernization theory has had great deal of support since it was originally formulated (Arat, 1988), but has also been met with criticism. Rustow (1970) saw no economic perquisites for democracy, and stressed that determinants of democracy could vary geographically and temporally. This argument is substantiated by Boix, Miller and Rosato (forthcoming) who in a time-series analysis covering over 200 years, find that the effect of economic variables on democracy has steadily declined over time. Przeworski and Limongi (1997; see also Alvarez, Cheibub, Limongi and Przeworski, 1996b) propose an alternative explanation of the correlation between democracy and economic development. They argue that affluence does not increase the chances of democratization, but rather that affluent democracies have higher rates of survival. This means that democratic regimes are equally likely to be formed in rich and poor states, but that democracies in under-developed states are vulnerable and more likely to be overthrown. The authors term this the "exogenous" theory of democratization – since democracy appears independently of a country's level of modernization – and refer to Lipset's original theory as the "endogenous" explanation of democracy (Przeworski and Limongi, 1997:157).

Lipset's original theory did not mention any relationship between modernization and political liberalization within authoritarian regimes. The theory states that economic development increases the probability of a democratic transition, but it did not originally specify the effect development had on how authoritarian regimes themselves operate. Other scholars have claimed that modernization theory can explain processes within authoritarian regimes. Cutright and Wiley (1969) find a positive correlation between socioeconomic development and a continuous measure of political representation, implying that economic growth fosters governments that are more responsible to their citizens, even in non-democratic regimes. Similarly, Hinnebusch (2000) claims that modernization increases the "propensity and capacity" for political participation among the population, which could require the rulers to allow for some political liberalization – accepting limited political opposition to avoid further destabilization of the regime. Sadiki (1997), on the other hand, argues that economic development serves to strengthen the incumbent regime, and that in some cases economic crises are the principal causes of democratization.

Kennedy (2010) identifies two contradicting effects of a modernization process. On the one hand, economic development provides an authoritarian state with resources and strengthens

linkages between state and society, stabilizing the regime and discouraging opposition. On the other hand, economic development also increases the probability of a democratic transition. Reconciling these seemingly conflicting outcomes, Kennedy contends that while economic growth generally increases support for the current regime, when a regime transition does occurs, it has a higher probability of resulting in a democratization if the country is economically developed. In this view, modernization might decrease the chances of a regime transition – by strengthening the incumbent regime – but it also increases the chances that when a transition first occurs it will be a transition to a democratic regime. In the author's words, economic growth is "stabilizing for the dictator, but destabilizing for dictatorship" (Kennedy, 2010:786). Kennedy labels this the conditional model of endogenous democratization.

This discussion is relevant to the analysis in this thesis, as it touches upon the relationship between socio-economic development and democratization, liberalization and stability. To control for any effect of modernization, the models constructed in this thesis will include variables measuring economic growth and level of economic development.

The effect of oil

The peculiarities of politics in the Middle East are often attributed to the abundance of oil. In their analysis of democratization (which was a follow-up to the articles referred to as Alvarez et al. 1996a and 1996b), Przeworski, Alvarez, Cheibub and Limongi (2000:77) simply omit countries with significant oil exports – amounting to six Middle Eastern countries – from their dataset, citing unspecified idiosyncrasies of oil-based economic development. Ross (2001) finds that wealth stemming from oil exports are indeed inimical to democracy, and that this relationship is not exclusive to the Middle East. The reasons that "oil and democracy do not mix" are not as well established (Sandbakken, 2006), but Ross (2001:332-337; see also Herb, 2005) presents three possible causal mechanisms.

A rentier state is a state in which substantial revenue is generated from external rents (Ross, 2001). Since oil is extracted without the need for large numbers of employees, and mostly is exported to foreign markets – especially in the case of countries with a small population – oil-producing countries often have an economic base that is largely independent of domestic factors. Thus, the rentier state does not rely on taxation to fill the state treasury. In this situation, the state has an "allocative," rather than productive, function, and pressure for more

representative and accountable government is reduced by the fact that government economic policy is mainly geared towards maximizing revenue (Anderson, 2006; Luciani, 1990). Turning the adage of "no representation without taxation" on its head, rentier states face little incentive to increase representation, as they have no need for taxation. As Huntington (1991:65) argues, "the lower the level of taxation, the less reason for the public to demand representation."

Relatedly, revenues based on rents give governments a freer hand domestically. Since profits from the export of natural resources accrue directly to the state, an oil-rich autocrat has more discretion over how to spend the wealth (Anthonsen, Löfgren, Nilsson and Westerlund, 2012). Therefore, rentier states have a high capacity to either pacify the population with generous welfare programs, or repress any opposition with an extensive coercive apparatus (Herb, 2005; Yom, 2011).

Economic growth based on oil export can also have consequences for the social and cultural structure of society. This is a notion that ties into the literature on the modernization theory, but adds to it the qualification that oil wealth might not have same beneficial effects as wealth from other sources. According to Herb (2005), the modernization processes that are correlated with democracy – industrialization, urbanization, higher levels of literacy, growing middle-class – are more effectively triggered by other forms of economic development than that which is caused by oil revenues. In other words, the deciding factor behind authoritarianism in oil-rich states is not an adverse effect that oil has on the chances of democratization, but rather the effect oil does not have. For oil-based economies, economic development is much less useful as a proxy for modernization.

A caveat to the theory on the rentier state is that there is some disagreement on the specific effects of rentierism. A commonly held view is that oil wealth decreases the chances of democratization (Ross, 2001), and that it causes existing authoritarian regimes to be more repressive (Herb, 2005; Kamrava, 1998). There is also, however, a body of literature that attributes instances of regime liberalization to rentierism. Yom (2011) identifies cases of what he term "popular rentierism," in which broad coalitions were established before oil was discovered, and subsequently sustained by oil rents. In these cases – Yom points to contemporary Kuwait and Suharto's Indonesia as examples – oil is said to contribute to liberalization of authoritarian regimes. Similarly, Haber and Menaldo (2011) find evidence for

a “resource blessing”: increased levels of political freedom as a result of economic reliance on natural resources. The relationship between rentierism and regime stability is also debated. While oil wealth is generally held to increase a regime stability, it has also been associated with the onset of political unrest and civil war (Bjorvatn and Naghavi, 2011).

Cultural explanations

Finally, mention must be made of cultural theories of democracy. As with the prevalence of monarchism in the Middle East, the lack of democracy in the region has been attributed to its cultural characteristics, most notably the dominance of Islam. Huntington (1991:307) famously argued that “Islamic concepts of politics differ from and contradict the premises of democratic politics,” while Kedourie (1992:4-5) described concepts like popular sovereignty, representation and independent judiciaries as “alien to the Muslim political tradition.”

These arguments are often dismissed by scholars in democracy in the Middle East (Tessler and Gao, 2005). Bellin (2004) points out that similar arguments of democratic non-compatibility were made about Catholicism and Confucianism, before the third wave of democracy led to transitions in Latin-America, southern Europe and East-Asia. Hinnebusch (2006) considers these cultural explanations “fundamentally misleading,” citing the dissimilarity between different strands of Islamic thought and the functioning democratic regimes in countries like Turkey and Malaysia.

The analysis in this thesis will follow Herb (2005), who defends the view that there is no “immutable authoritarian or democratic ‘essence’ to Islam,” but still allows for the possibility that there are certain “ideological and cultural currents” in the Muslim world that affect democratization or liberalization. These currents could include the rise of radical Islamism since the 1970s or, as Hinnebusch (2006) argues, the impact of tribalism.

Chapter 4 - Data

4.1. Empirical Scope – Regions

The research question of this thesis asks whether monarchies display greater respect for human rights or higher levels of political stability. In search for an answer to this question, the statistical models will be based data from two regions. Following extant literature on the subject of monarchies, the main focus will be on the Middle East. This is where most of the world's monarchies are located, and the region is therefore central to investigating the theory of monarchical exceptionalism. There are, however, a number of ruling monarchs outside of the Middle East. These are located in either Sub-Saharan Africa (such as Lesotho and Swaziland) or the Asia-Pacific. In order to test the generalizability of the theory of monarchical exceptionalism, models will be created using data from the Asia-Pacific as well as the Middle East. The following section will clarify how the two regions - the Middle East and Asia-Pacific – are delineated in this thesis.

The Middle East

The Middle East – also referred to as the Middle East and North Africa (MENA) – is not a well-defined region, despite receiving much scholarly attention. For instance, Menaldo (2012) uses a dataset of 19 countries while Spinks et al. (2008) look at 26, both studying the topic of monarchies in the Middle East.[2] Neither of them provides any explanation of their decision. Such discrepancies in the demarcation of studies' empirical scope could potentially affect the findings. For instance, Menaldo's exclusion of Afghanistan – which was a politically unstable monarchy during parts of the study period – might have had an impact on the conclusion that monarchies are generally more stable. This indicates that using personal discretion to define regions can reduce scientific rigor.

In an attempt to use a more stringent definition of the empirical scope, this thesis, when discussing the Middle East, will be referring to member states of the Arab League.[3] This will

[2] The countries included by Spinks et al. and not Menaldo, are Afghanistan, Comoros, Djibouti, Mauritania, Pakistan, Palestine and Somalia.

[3] The member states are as follows: Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, the United Arab Emirates and Yemen. Yemen is understood as North Yemen until 1990. Syria is included, despite its membership in the Arab League being suspended at the time of writing.

ensure that a consistent and objective rule is used to delineate the empirical scope, instead of subjective conditions.

This definition, most notably, excludes Iran, which is included by both Spinks et al. and Menaldo. This is mainly a side effect of imposing a more formal empirical definition, but it can also be justified substantively. Unlike any Arab monarchy, the Iranian Pahlavi dynasty was established through a military coup and its last ruler was deposed following a popular revolution. Arab monarchies have in some cases been in power for centuries (such as Morocco and the former Egyptian monarchy) or they were set up under the auspices of a colonial administration. Additionally, Arab monarchies have only been deposed through coups, not popular uprisings. This is an indication that "Arab monarchies" form a more coherent group than "Middle Eastern" or "Muslim" monarchies. If the motivation for studying the Middle East is the perception that certain characteristics are idiosyncratic to the region (see Bellin, 2004), Arab countries may in some cases be more suitable units of analysis than the loosely defined "Middle Eastern countries."

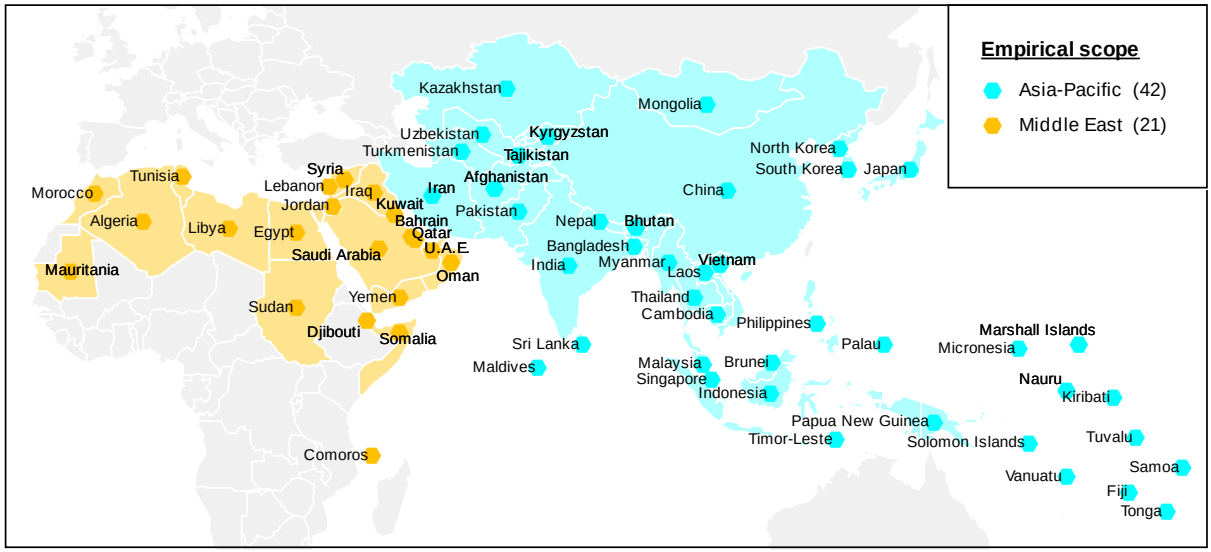
The terms Middle East and Middle-Eastern will be used to refer to the member states of the Arab League.

Asia-Pacific

The Asia-Pacific region is more straightforward to define than the Middle East, but certain clarifications must be made. The definition of Asia-Pacific in this thesis will be based on the UN designated Asia-Pacific Regional Group. In order to prevent any characteristics of Arab monarchies to influence the models of the Asia-Pacific, states that are members of both the Arab League and the Asia-Pacific group will be excluded from the models of Asia-Pacific. Because of its geographic distance to the resulting group, Cyprus – which is a non-Arab member of the Asia-Pacific group – is not included. On the other hand, Kiribati – which is culturally and geographically proximate to other island nations in the Pacific, but not member of any regional group – is included. [4]

[4] The resulting Asia-Pacific group includes the following countries: Afghanistan, Bangladesh, Bhutan, Brunei Cambodia, China, Fiji, India, Indonesia, Iran, Japan, Kazakhstan, Kiribati, Kyrgyzstan, Laos, Malaysia, Maldives, the Marshall Islands, Micronesia, Mongolia, Myanmar, Nauru, Nepal, North Korea, Pakistan, Palau,

Figure 1: Delineation of Empirical Scope



Notes: The map shows how the two regions that make up the empirical scope – the Middle East and the Asia-Pacific – are delineated. A monochrome reproduction of the figure, suitable for black/white printing, is included in the appendix.

Due to lack of available data, certain former and partially non-recognized states – Palestine, Taiwan, South Vietnam and South Yemen – are not included.

The resulting list contains 63 countries, of which 21 are in the Middle East and 42 are in the Asia-Pacific. A map illustrating the two regions is shown in figure 1.

The temporal scope is determined by data availability of the dependent variable, with the most comprehensive models covering the period 1950-2007. It should be noted that the cutoff point at 2007 is unfortunate, as there have been significant developments in both regions since that year. However, as each year of analysis requires data on 11 explanatory variables for 21 or 42 countries, in addition to data on the dependent variable, expanding the dataset to include data from more recent years has not been feasible.

4.2. Political Liberalization

This thesis uses a twofold definition of political liberalization as "a broadening of the scope of political contestation" as well as "increased levels of basic freedoms." The following section will outline how the concept will be operationalized and measured statistically.

Papua New Guinea, Philippines, Samoa, Singapore, the Solomon Islands, South Korea, Sri Lanka, Tajikistan, Thailand, Timor-Leste, Tonga, Turkmenistan, Tuvalu, Uzbekistan, Vanuatu and Vietnam.

Political contestation

To measure the scope of political contestation, the models in this thesis will rely on a framework created by Lohse (1996) and further developed by Sahliyeh and Lohse (2001). It uses six variables from the Polity IV project (see Marshall and Jaggers, 2002) to create two constructs, Elite Accord and Mass Accommodation, measuring the degree of political participation on the elite and mass levels. The variable Elite Accord consists of the Polity IV indicators Executive Recruitment Regulation, Executive Competitiveness and Openness, and measures the degree to which political authority is distributed of among the elite. The three indicators are added together, resulting in an index ranging from 1 to 10, where a high score "reflects high elite consensus on open and competitive access to executive office and on established procedures for transferring power" (Sahliyeh and Lohse, 2001). The variable Mass Accommodation consists of the indicators Participation Regulation, Competitiveness and Executive Constraint, and measures distribution of political power on the level of the masses. It ranges from 2 to 17, where a high score "reflects general population access to legal, regular, and meaningful political and policy-making participation, with executives accountable to those decisions" (Spinks et al., 2008).

An advantage of this operationalization is that it measures patterns of political participation in authoritarian regimes better than one-dimensional indices. By distinguishing between elite and mass levels, the variables could shed light on political relationships within and between groups of society, and provide information as to whether monarchies are significantly different from republics. One disadvantage is that the variables might suffer from low validity. The mass accommodation and elite accord indices are relatively new, and have not undergone significant testing. Consequently, the variables might not be measuring the phenomena that they are claimed to measure. However, as Rydland, Arnesen and Østensen (2008:7-8) argue, this uncertainty applies to the vast majority of variables in this field, as most political phenomena are difficult to measure with high precision.

Rights and freedoms

To measure the respect for basic freedoms, the models will use data from the Cingranelli-Richards Human Rights Data Project (refered to as CIRI, see Cingranelli and Richards, 2010), which is "a widely used measure to account for the level of governmental respect for human rights" (Peksen and Drury, 2009:402). The CIRI project is based on data from the US State

Department and Amnesty International, and provides a coding of human rights violations in a number of different categories, such as freedom of speech, movement or religion, workers' or women's rights, occurrence of political imprisonment or use of torture. These indicators are also aggregated into two indices. The Physical Integrity Rights Index measures "the human rights individuals have to be free from arbitrary physical harm and coercion by their government" (Cingranelli and Richards, 2010:410) and is composed of the indicators of torture, extrajudicial killing, political imprisonment and disappearance. The Empowerment Rights Index measures human rights more closely linked to political expression and is composed of the indicators of freedom of movement, freedom of speech, workers' rights, political participation and freedom of religion. The Physical Integrity Rights Index from 0 to 8, while the Empowerment Rights Index ranges from 0 to 10. On both indices, zero indicates no government respect for the human rights in question, while the maximum score indicates full government respect.

The CIRI Project has been criticized for using arbitrary cut-off points when constructing the ordinal scales of human rights violations. Using the variable measuring torture as an example, Wood and Gibney (2010) show that if there are more than forty-nine incidents of torture in a given country-year, torture is coded as "occurring frequently", with no justification of this threshold or any consideration made of the total population of the country. Truncating any difference between fifty incidents and thousands of incidents of torture into one top category could prevent accurate comparison across countries, and doing so independently of population levels cause leniency towards smaller countries. In addition, Wood and Gibney (2010) criticize the practice of generating indices by summing across indicators without any discussion about their relative weights. This requires the assumption to be made that human rights violation in the different categories (for instance torture, extrajudicial killing, political imprisonment and disappearance) are equivalent. Taken together, these criticisms question the validity of the CIRI indices. Cingranelli and Richards (2010), however, argue that data truncation is an issue in any ordinal scale, and that the source material is not reliable enough to create more detailed scales. In response to criticism about indicator summation, the authors argue that the transparency of the CIRI indices, and the fact they are less dependent on the coders' discretion, are "strength[s] of the CIRI measurement procedure" (Cingranelli and Richards, 2010:407).

Collectively, the two sets of indices – Elite Accord/Mass Accommodation and Physical Integrity Rights/Empowerment Rights – will be used to measure the phenomenon of political liberalization. Models using the four variables as dependent variables will be constructed, in order to examine whether the variable indicating monarchical regime has a significant effect. Using two sets of indices will make it possible to accurately study the subcomponents of political liberalization, as defined in this thesis. The indices created by Lohse (1996) are based on Polity IV indicators that focus on the institutional aspects of the political system (Casper and Tufis, 2003), and therefore captures information on the structures of political power present in a given country-year. The CIRI project, on the other hand, deals with the concrete practices of governments (Cingranelli and Richards, 2010:411). In conjunction, the two sets of indices, despite their respective shortcomings, should therefore yield an accurate picture of the level of political liberalization.

Alternative measures of liberalization

There is one serious weakness of the mentioned variables that has not been discussed: missing data. Both the Polity IV project and the CIRI project lack data in situations where there are fundamental challenges to state authority. Examples of this include the Lebanese and Somali civil wars and the years following the 2003 invasion of Iraq. Cases like these are simply dropped from the models. This can be justified substantively: there is little use in measuring the effects of monarchical or republican government when there is no government (see Cingranelli and Richards, 2010:412-413). In addition, neither the Polity IV project nor CIRI gather data on the smallest countries, with a population threshold of about 500,000. The CIRI project removed the threshold in 2003, and expanded the dataset with 33 countries, but data was not gathered retroactively. This means that for the models analyzing the Middle East, data on the CIRI variables from the Comoros, Djibouti and Qatar is only available from after 2002, which is unfortunate. For the models analyzing the Asia-Pacific, however, the problem of missing data is insurmountable. The Polity IV data is completely missing for Brunei, Kiribati, the Maldives, Micronesia, Nauru, Palau, Samoa, Tonga, Tuvalu and Vanuatu, while the CIRI data is missing until 2003 for Kiribati, the Maldives, the Marshall Islands, Micronesia, Nauru, Palau, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu. Among these countries are several of the region's monarchies, and their omission means that the Lohse (1996) and CIRI variables cannot be used to analyze the Asia-Pacific.

In their stead, this thesis will use two variables created by Coppedge, Alvarez and Maldonado (2008), which are created by pooling a number of extant democracy indicators. Coppedge et al. claim that a considerable number of democracy-indicators are primarily measuring one of the two dimensions of polyarchy as defined by Robert Dahl. Dahl famously described polyarchy as an imperfect form of democracy consisting of the two dimensions contestation and inclusion. Contestation involves citizens' right to "formulate their preferences, (…) signify their preferences to their fellow citizens and the government (…) [and] have their preferences weighed equally in the conduct of the government." Inclusion (or inclusiveness) refers to "the proportion of the population entitled to participate on a more or less equal plane in controlling and contesting the conduct of the government" (1971:2-4). Using principal components analysis on a total of nineteen indicators of democracy, Coppedge et al. (2008) generate two aggregate components with high internal correlation, and argue that these two components are in fact accurate measures of Dahl's two dimensions of polyarchy.[5] Since the nineteen indicators used do not cover the same timespans, the analysis is conducted on three overlapping time-periods – 1950-71, 1972-88 and 1980-2000 – and then standardized to be comparable across the entire period covered. The variables are also adjusted to account for cases of missing data. [6]

Dahl's two dimensions of polyarchy are not wholly congruent to the definition and operationalization of liberalization used in this thesis. Both perspectives emphasize political contestation, but Dahl's second dimension (inclusion) is not equivalent to the second subcomponent of liberalization (respect for basic freedoms) as defined in chapter 2. Nevertheless, the variables created by Coppedge et al., will be used in addition to the Polity- and CIRI-based variables as an alternate measure of political liberalization. This is because

[5] The indicators measuring *contestation* are Civil Liberties and Political Rights (Freedom House, 2013), Index of Competition (Vanhanen, 1990), Executive Constraints, Competitiveness of Political Participation, Competitiveness of Executive Recruitment (Polity IV), Type of Regime (Cheibub and Gandhi, 2004), Party Legitimacy, Legislative Effectiveness and Competitive Nomination Process (Banks and Wilson, 2012), and Freedom of Assembly and Association, Freedom of Speech and Political Participation (CIRI).

The indicators measuring *inclusion* are Adult Suffrage (Bollen, Jackman and Kim, 1996), Legislative Selection and Effective Executive Selection (Banks and Wilson), Women's Political Rights (CIRI), Index of Participation (Vanhanen) and Openness of Executive Recruitment (Polity IV).

[6] For a more detailed description of the procedure, see Coppedge et al. (2008).

they provide an opportunity to test the generalizability of potential finds concerning political liberalization in the Middle East. While the variables based on the CIRI data only span the period 1981 to 2006, the Contestation/Inclusion measures are standardized in such a way that they cover the entire period from 1950 to 2000. In addition, they contain data on all the countries included in the Asia-Pacific region, including the small-population countries that are omitted from the CIRI and Polity IV projects. Consequently, they can serve as a test of generalizability across both time and space, and can give an indication as to whether any findings on monarchal exceptionalism are unique to the period and region covered by the main sets if indices.

To sum up, political liberalization is understood as a two-part concept, encompassing political contestation and respect for basic rights and freedoms. The former will be measured by two indices – Elite Accord and Mass Accommodation – created by Lohse (1996) and based on Polity IV data, and the latter will be measured by two indices – Physical Integrity Rights and Empowerment Rights – created by Cingranelli and Richards (2010) and based on the CIRI project. Due to lack of data on a number of countries in the Asia-Pacific, a third set of indices created by Coppedge et al. (2008) – measuring contestation and inclusion – will be used to test generalizability of any findings from the first two sets of indices across time and space.

4.3. Stability

To measure political stability, the models in this thesis will be based on a framework proposed by Jong-A-Pin (2009) and further developed by Klomp and de Haan (2009). Using exploratory factor analysis on a total of 25 indicators of political stability drawn from a number of different sources, Jong-A-Pin (2009) argues that they reflect four latent dimensions of political instability: politically motivated violence, mass civil protest, instability within the political regime, and instability of the political regime. Klomp and de Haan (2009) use an approach that is based on that of Jong-A-Pin, but has certain divergences. They use slightly different labels of the four dimensions (aggression, protest, regime instability and government instability) and use a smaller pool of variables when performing the factor analysis, mainly relying on variables from the Cross-National Time-Series Data Archive (refered to as CNTS, see Banks and Wilson, 2012). As indicated above, data availability poses a potential problem

for many of the models in this thesis, as they include several small countries. Therefore, the approach suggested by Klomp and de Haan (2009) is preferable.[7]

According to Klomp and de Haan, aggression (henceforth referred to as violence) is determined by the variables measuring guerrilla warfare, revolutions and assassinations; protest is determined by the variables strikes, riots and anti-governmental demonstrations; regime instability is determined by coups, regime durability and major constitutional changes; and government instability is determined by the variables government fractionalization and cabinet changes.

Nine of the eleven variables used to measure political stability – guerrilla warfare, revolutions, assassinations, strikes, riots, anti-governmental demonstrations, coups, constitutional changes, and cabinet changes – are from the CNTS Data Archive. These are event-data, created by simply counting the number of occurrences in the given category as defined by Banks and Wilson (2012).

The remaining two variables – government fractionalization and regime durability – are from sources other than the CNTS dataset, and have both, for the purposes of this thesis, been slightly adapted from the original operationalization. The variable measuring government fractionalization is from the Database of Political Institutions (refered to as DPI, see Keefer, 2012), and shows the probability that two representatives in the legislature, randomly chosen from among the government parties, will represent different parties. In the DPI dataset, this variable is coded as "not available" if there is no parliament, if the parliament has no political parties or if there are uncertainties about the government parties' seats. In order to avoid listwise deletion of a considerable proportion of authoritarian country-years, the variable is recoded to zero in these conditions. The rationale for this is that these regimes seem to operate outside of ordinary parliamentary practices, and the assumption is therefore made that government fractionalization, as the concept is understood in the context of liberal democracies or regimes with democratic institutions like parliaments, is not present. In

[7] Although the framework outlined by Klomp and de Haan will be used, the variable they label "aggression" will be referred to using Jong-A-Pin's label, "violence," as it is more intuitive.

addition, the variable is time-adjusted to reflect the fact that the DPI data refers to January 1 of each year while the other variables used refer to December 31.

The variable measuring regime durability has also been modified. The original variable used by Klomp and de Haan (2009) is from the Polity IV dataset, and shows the number of years since previous regime change, defined as a three point change in the Polity Score over a period of three years or less, or the end of a transition period. As mentioned above, the Polity dataset lacks information on a number of countries in the Asia-Pacific, and is therefore ill suited for the purposes of this thesis. Consequently, the variable has been recreated using an alternative democracy-indicator, created by summing the Coppedge et al. (2008) Contestation and Inclusion variables. The Polity Score has a range of 20 (from -10 to +10), and in the Polity-based durability variable a regime change is defined as a three point change over a period of three years or less, which translates to 15 per cent of the variable's total range. The combined Coppedge et al. Contestation/Inclusion variable has a range of 7.26, and a regime change will be defined as a ($0.15 \times 7.26 =$) 1.01 change on the combined variable. The new durability variable is then formed by marking every instance of regime change according to this definition, and creating a variable counting the years between each regime change. In the original durability variable, regime age is not counted during foreign interruption, anarchy or transition, instances of which are recorded in the Polity dataset. The same instances are taken into account when creating the new durability variable and an assumption is made that the countries not covered by the Polity data, a total of ten Pacific island-nations[8], have not experienced significant events in these categories. The resulting durability variable is slightly more conservative than the Polity variable – the average regime age is 12.3 according to the new variable and 16.8 according to the Polity variable, counting only countries included by both variables. This indicates that the combined Contestation/Inclusion variable is more sensitive to variations in political freedom. The variables are, however, highly similar.

The four variables measuring violence, protest, regime instability and government instability are created by adding together their respective component variables. As the CNTS variables are all event-data, the resulting variables largely cluster around zero. For instance, the variable measuring protest (N = 2,648) shows 2,020 country-years with no protest events, 212 country-

[8] Brunei, Kiribati, the Maldives, Micronesia, Nauru, Palau, Samoa, Tonga, Tuvalu and Vanuatu.

years with one event, 124 with two events and so on, all the way up to 1 country-year (India, 1984) with 43 protest-events. Although variables such as these can be considered metric variables, they are so right-skewed that they are unsuited for ordinary regression analysis (Baum, 2006:247). The solution is to recode them into binary variables, and analyze them using logistic regression. Any value greater than zero in the original variable is recoded into a value of 1 in the new variable. In this way, the variables are transformed into showing *instances* of instability, rather than *degree* of instability. This process is similar to that of Menaldo (2012:718), who analyzes each of the CNTS instability variables separately, as dummy variables. Following Jong-A-Pin (2009:27), the variable measuring regime durability is recoded into a dummy variable before creating the regime instability variable, giving the value 1 in the new durability variable if the original variable has a value of 0. A similar approach is taken to the other non-binary variable, government fractionalization, which is recoded into a dummy variable by substituting the value 1 for any values greater than 0.

Descriptive statistics of each dependent variable, as well as a summary of their composition, is shown in table 1.

4.4. Explanatory Variables

Monarchy

The variable measuring whether the current political regime is monarchical is the key variable of interest in the models presented in this thesis. It is a dummy variable, with the value 1 for every country-year with a regime that is considered monarchical according to the definition detailed above.

The variable was created by first creating a list of candidate countries using monarchy-variables created by Cheibub et al. (2010), Hadenius and Teorell (2007), Norris (2009) and Wright (2008). Since the definitions of monarchy used by these authors are not identical to the one established in this thesis, each country on the resulting list of candidates was assessed using qualitative sources. For instance, Cambodia is coded as monarchical until 1955 by Cheibub et al. (2010), but not by Wright (2008), indicating a degree of uncertainty about whether or not it was a monarchy in this period. Since Norodom Sihanouk generally seems to be considered the ruler of Cambodia from its independence in 1953 to 1970 in the literature on the country (see Ayres, 2000; Kiernan, 2002), and since he ruled as king until 1955 (he

Table 1: Descriptive Statistics for Dependent Variables

Continuous variables	Component variables	Min.	Max.	Mean	Std. Dev.	Coverage	N
Physical Integrity Rights Index	Torture, extrajudicial killing, political imprisonment, and disappearance.	0	8	4.07	2.44	1981 - 2007	1251
Empowerment Rights Index	Freedom of movement, freedom of speech, worker's rights, political participation, and freedom of religion.	0	10	3.71	3.09	1981 - 2006	1209
Elite Accord	Executive recruitment regulation, executive competitiveness and openness.	1	10	6.63	2.45	1950 - 2007	2300
Mass Accommodation	Participation regulation, competitiveness and executive constraint.	3	17	8.4	2.63	1950 - 2007	2300
Contestation	13 variables from various sources.	-1.74	1.85	-0.29	0.83	1950 - 2000	2351
Inclusion	Six variables from various sources.	-2.98	1.32	-0.24	1.06	1950 - 2000	2351

Binary variables		Frequencies			
	Component variables	1	0	Coverage	N
Violence	Guerrilla warfare, revolutions and assassinations.	786	1863	1950 - 2007	2649
Protest	Strikes, riots and anti-governmental demonstrations.	628	2020	1950 - 2007	2648
Regime Instability	Coups, regime durability and constitutional changes.	660	1644	1950 - 2000	2304
Government Instability	Government fractionalization and cabinet changes.	860	636	1974 - 2006	1496

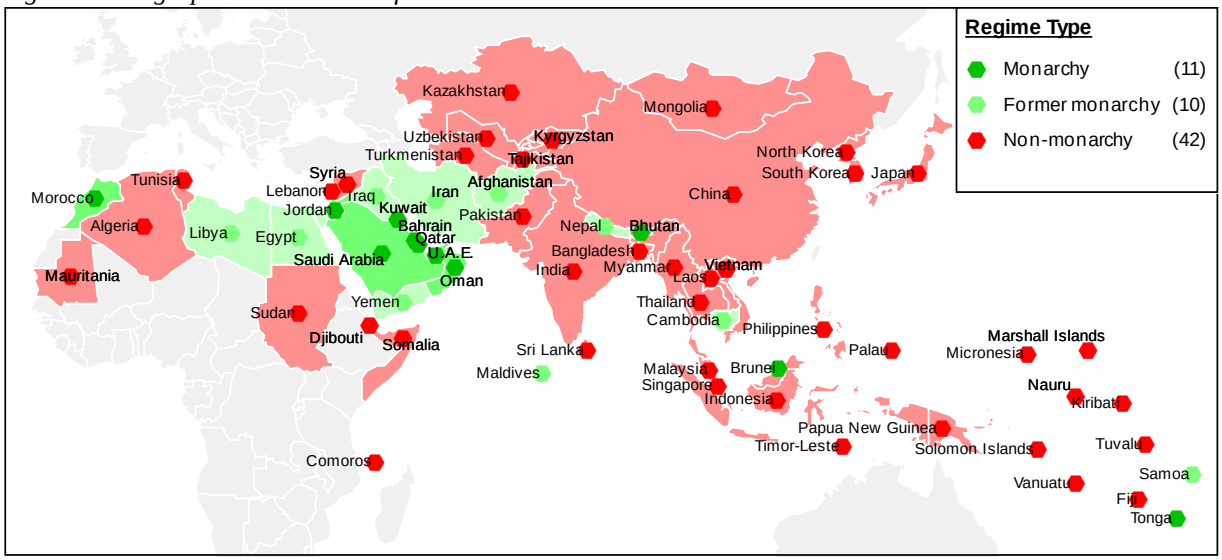
abdicated the throne in 1955 in order to govern as prime minister), Cambodia is considered a monarchy in the years 1953-1954.

Since the topic of this thesis is authoritarian monarchical regimes, any country-year that is coded as democratic will automatically be considered non-monarchical.

As with the other variables used, the value for a given country-year reflects the situation as it was on December 31 that year. This means that if there is a transition from a monarchical to non-monarchical regime in the course of a year, it will be coded as non-monarchical.

This procedures yields a list of 21 monarchies, and a total of 703 (out of 2,794) monarchical country-years between 1950 and 2007. The Arab monarchies are Bahrain, Egypt (until 1951), Iraq (until 1957), Jordan, Kuwait, Libya (until 1968), Morocco, Oman, Qatar, Saudi Arabia, the United Arab Emirates and Yemen (until 1963). The monarchies in the Asia-Pacific are Afghanistan (until 1972), Bhutan, Brunei, Cambodia (until 1954), Iran (until 1978), the

Figure 2: Geographic Distribution of Monarchies and Former Monarchies



Notes: The map shows the distribution of monarchies and former monarchies in the Middle East and Asia-Pacific. Non-ruling monarchies and countries that transitioned from monarchy before 1950 are marked as non-monarchy. A monochrome reproduction of the figure, suitable for black/white printing, is included in the appendix.

Maldives (until 1967), Nepal (until 1990 and later from 2002 to 2007), Samoa (until 2007) and Tonga. A map illustrating this list of monarchies and former monarchies in the two regions is shown in figure 2.

Economic variables

In order to control for any effects that affluence might have on liberalization or stability – as argued by modernization theorists – two economic variables will be included. One measures the level of affluence, while the other measures level of economic growth. Level of affluence is measured by gross domestic product (GDP) per capita, which is logarithmically recoded. This means that the coefficient of the GDP-variable should be interpreted as showing the change of the dependent variable caused by a 1 % increase in GDP per capita. Economic growth is measures by taking the first differences of the GDP-variable. Since differencing results in missing values for the first year a country enters the dataset, a procedure detailed by Menaldo (2012) is used to avoid listwise deletion. This procedure entails imputing the missing values by averaging the growth rate of the first three observations for each country. Data on GDP was gathered primarily from the United Nations Statistics Divisions (2012), and, in cases of missing values, supplemented with data from Bolt and Zanden (2013), adjusted to account for differences in measurement.

The third variable related to economic influence will be one measuring the effect of oil, reflecting theories on the rentierism. This variable is operationalized as the combined value of oil and gas production weighted by population size, and is based on data compiled by Ross (2012). Years with missing values were supplemented with data from Haber and Menaldo (2011). Finally, the countries that are covered by neither Ross nor Haber and Menaldo are assumed, after consulting the CIA *World Factbook*, to have no significant oil or gas production.[9] Since the variable is highly skewed, it is logarithmically transformed, and since no logarithm can be defined at zero, a value of .001 is added to the variable before the transformation, following Ross (2012) and Menaldo (2012).

Political variables

Since the topic of this study is authoritarian regimes, certain steps must be taken to avoid any confounding effect of democracy. As a single group, countries that are ruled by a non-monarch – which can be democratic or authoritarian – will most likely display a higher level of liberalization than ruling monarchies, which are by definition authoritarian. One option is to remove democratic country years from the model, and use only authoritarian regimes as units of analysis. This would certainly account for any effects of democracy, but it would also have an adverse effect on the structure of dataset. For instance, Pakistan, which has transitioned multiple times between democratic and authoritarian rule, would only appear from the dataset in the periods 1958-71, 1977-87 and 1999-2007 (at which point the dataset ends). As will be detailed in the methodology chapter, the statistical models will use instrumental variables created by calculating country mean values on the explanatory variables to measure between-countries variation. Dropping democratic country-years would render these country-level means highly inaccurate. To avoid this, democracy is instead used as a dummy control variable. The variable used is created by Cheibub et al. (2010), whose democracy-variable is based on the Alvarez et al. (1996a) definition of democracy detailed in chapter 2. This variable will control for the "effect" of democracy on liberalization or stability, and ensure that the monarchy-variable correctly measures the difference between monarchical and republican forms of authoritarianism.

[9] This pertains to the Pacific countries of Kiribati, the Marshall Islands, Micronesia, Nauru, Palau, Samoa, Tonga, Tuvalu and Vanuatu.

A control variable measuring the effect of the Cold War is also included. Numerous scholars (see Bellin, 2004; Buzan and Segal, 1994; Cingranelli and Richards, 1999) have suggested that the end of the Cold War has had significant consequences for the operation of authoritarian regimes, affecting political stability and liberalization throughout the world. Therefore, a dummy variable with the value 1 for every year up until and including 1988 is included.

Demographic and geographic variables

Several arguments have been made about the effect of country size on democracy and stability (Anckar, 2008; Dahl and Tufte, 1973; Ott, 2000). Therefore, two control variables, population size and area, will be included in the models. Both variables are logarithmically transformed. In addition, a dummy variable indicating whether or not the country is an island nation will be included, as insularity has been theorized to have an effect on democracy and stability as well (Anckar, 2008; Anckar, 2002).[10]

Two variables related to culture will also be included. Several hypotheses have been proposed linking ethnolinguistic fractionalization to political instability (Garcia-Montalvo and Reynal-Querol, 2005) or lack of democracy (Barro, 1999; Stepan and Robertson, 2003). Consequently, a variable controlling for the level of fractionalization will be included. While there are a number of operationalizations of fractionalization, this thesis will use a procedure pioneered by Desmet, Ortuño-Ortín and Wacziarg (2012). They focus on linguistic fractionalization, which they disaggregate using information about language trees. Their findings indicate that linguistic cleavages on a highly aggregated level – that is, cleavages between ethnic groups that have very little in common linguistically – have a significantly negative impact on political stability. Following these findings, the variable used in this thesis will be the one measuring ethnolinguistic fractionalization at the highest level of aggregation, representing "deep cleavages, originating thousands of years ago" (Desmet et al., 2012:322). As mentioned in the section concerning cultural theories of democracy, there are arguments claiming that certain currents of political thought present in the Muslim world negatively

[10] The island countries included are: Bahrain, Brunei, the Comoros, Fiji, Indonesia, Japan, Kiribati, the Maldives, the Marshall Islands, Micronesia, Nauru, Palau, Papua New Guinea, the Philippines, Samoa, Singapore, the Solomon Islands, Sri Lanka, Timor-Leste, Tonga, Tuvalu and Vanuatu.

affects liberalization (Herb, 2005:305). Following Menaldo (2012), a variable measuring the percent of the population that is Muslim will be included.

While the measurement of these variables is largely straightforward, there are certain problems with the area-variable. As will be detailed in the next chapter, the statistical method used in this thesis distinguishes within-country variation from between-country by looking at year-to-year changes on the explanatory variables (or, more precisely, distances from the country-specific mean) separately from their general levels. This procedure, however, is somewhat problematic when it comes to the area-variable, as it is questionable to ascribe causal significance to year-to-year changes in area. For instance, the fall of Indonesia's Suharto in 1998 led to the end of the occupation of Timor-Leste (also known as East Timor) the following year. This creates an association in the data between a reduction in total area and political liberalization. A similar example is Pakistan, which liberalized considerably in the early 1970s, the same period Bangladesh broke away. Using area as an explanatory variable implies a causality running from changes in area to liberalization or instability, which is unlikely. Despite this, the area-variable will be used as is, though it should primarily be thought of as a control variable, allowing for *ceteris paribus* comparison between countries of different sizes rather than a precisely measured causal mechanism.

There is also a considerable drawback to the variables measuring ethnolinguistic fractionalization and Muslim percentage of population. Both of these variables are measured at one point in time, and thus only vary across countries. The Desmet et al. (2012) fractionalization variable is based on data from 2005, while the percent Muslim variable is from 1993 (or later if the country is of recent formation). The fact that these variables are time-invariant means that gradual changes over time will not be reflected in the models, and that the data might be inaccurate for countries that have experienced significant societal upheaval. The values for Pakistan, for instance, are inaccurate for the years before the secession of Bangladesh in 1971, as they consist of demographic data for Pakistan in 1993 rather than data for pre-secession Pakistan. Since ethnic tension, and especially linguistic conflict, was one of the principal causes of the conflict between East and West Pakistan (Islam, 1978; Majeed, 2010) the fact that this fractionalization is not reflected in the data detracts from the robustness of the variable. As with the area-variable, the variables

Table 2: Descriptive Statistics for Explanatory Variables

Continuous variables	Info.	Min.	Max.	Mean	Std. Dev.	N
log(Fuel Income PC)	Value of oil and gas production weighted by population, at constant 2000 prices, in US dollars. Logarithmically recoded.	-6.91	11.15	-0.98	6.19	2794
log(GDP per Capita)	Gross Domestic Product per Capita at constant 1990 prices, in US dollars. Logarithmically recoded.	4.02	10.61	6.82	1.41	2794
Economic Growth	Change in GDP per Capita since previous year.	-1.12	0.89	0.02	0.08	2794
log(Population)	Population, in 1000s. Logarithmically recoded.	1.79	14.1	8.6	2.44	2794
log(Area)	Total area, in km^2. Logarithmically recoded.	3.04	16.07	11.68	2.81	2794
Percent Muslim	Percentage of population that is Muslim. Time invariant.	0	100	50.02	44.32	2794
Ethnolinguistic Fractionalization	Probability that two randomly picked individuals belong to different linguistic groups. Time invariant.	0	0.61	0.19	0.18	2794

Binary variables		Frequencies		
	Info.	1	0	N
Monarchy	Monarchic regime. Time invariant after 1968 in the Middle East.	703	2091	2794
Democracy	Democratic regime.	656	2138	2794
Cold War	Years during the cold war.	1628	1166	2794
Island	Countries that primarily consist of islands or parts of islands. Time invariant.	792	2002	2794

measuring ethnolinguistic fractionalization and Muslim percentage of population are included to provide general controls, and are unfortunately subject to measurement error.

Descriptive statistics of each explanatory variable is shown in table 2. As will be detailed in the next chapter, the models used in this thesis will also include instrumental variables for some of the explanatory variables. These variables are made up of the country-level means of the explanatory variable. Since these means vary in each model – as the temporal scope of the models varies – they are not included in the table.

Chapter 5 - Methodology

The following chapter will detail the statistical methods that are used. This thesis will largely follow the conventions of algebraic notation that are outlined by Baum (2006:xix). Matrices are expressed as bold, capital letters (***X***); vectors are bold, lowercase letters (***x***); and scalars are regular, lowercase letters (*x*). The exception is the use of *N* to denote number of units, *T* to denote the number of time-series observations and *L* to denote the maximum lag length. Random variables will not be distinguished from their realizations.

Several tests have been performed when choosing the most appropriate methods and when constructing the models in this thesis. These tests are discussed after the models themselves are presented, in the analysis chapter. This will enable a more precise discussion of the strengths and weaknesses of the individual models.

5.1. Panel Data

The analyses in this thesis will be based on panel data, which is also known as time-series cross section (TSCS) data. This data-structure consists of a panel of individuals that are followed over time. The term individuals can refer to actual individuals, or other units of observation. In the context of this thesis, the individual comprising the panel are countries. Data is available at one-year intervals, making the units of observation country-years. Panel datasets are common within the social sciences, as they contain more information than cross-sectional data and thus enable more accurate inference (Hoechle, 2007).

5.2. Fixed and Random-Effects: The Hybrid Model

One advantage of using panel data is that it offers better controls for bias introduced by omitted variables. The fixed-effects model is one such technique. It is based on the following equation

$$y_{it} = \mu + \boldsymbol{\beta}\boldsymbol{x}_{it} + \boldsymbol{\gamma}\boldsymbol{z}_i + a_i + e_{it} \qquad (1)$$

where *i* denotes country, and *t* denotes year. The dependent variable is *y*, while ***x*** is a vector of explanatory variables that vary over time and ***z*** is a vector of time-invariant variables. $\boldsymbol{\beta}$ and $\boldsymbol{\gamma}$ are vectors of coefficients for ***x*** and ***z***, respectively. μ is the intercept. Finally, e_{it} is the residual for each single observation, while *a* denotes a time-constant, country-specific residual. Fixed-effects models control for the effect of ***z*** and *a* collectively by either adding dummy variables for every group as explanatory variables, or by substituting each time-

varying variable for a variable showing deviation from the country-specific mean. When using the dummy variable method, the coefficient for each dummy creates a group-specific intercept. Fixed-effects models control for any unobserved time-invariant effects by discarding all between-country variation. By only basing inference on within-country information, bias in the estimators caused by omitted variables is greatly reduced, as any confounding effects from time-invariant variables are controlled for.

Due to the control they offer for time-invariant variables fixed-effects models are widespread in the social sciences (Kravdal, 2010:1029). There are, however, certain disadvantages with the model. Since every time-invariant characteristic is conditioned out, there is no way to estimate the effect of a specific time-invariant variable. In other words, $\boldsymbol{z}_i$ and a_i are treated collectively, excluding the possibility of estimating $\boldsymbol{\gamma}$. In addition, if the variables have little variation within each country, but vary greatly between countries, fixed-effect models essentially discard the information of interest, leading to inaccurately estimated coefficients (Allison, 2009:3).

In situations where fixed-effects are considered unfeasible (see, for instance, Wright, 2009:560), random-effects models are often used. Random-effects models are based on the same equation as fixed-effects models, but do not explicitly estimate a_i. Instead, unobserved country-specific effects are considered random variables and treated as part of the residual. An advantage of the random-effects model is that it can include time-invariant explanatory variables. Unfortunately, for the random-effects estimates to be considered unbiased, the assumption must be made that any unobserved country-specific effects are uncorrelated with the included explanatory variables. In the terms of equation 1, a and $\boldsymbol{x}$ must be independent of each other. If the unobserved variables are correlated with the explanatory variables, the effect of a on y will be ascribed to $\boldsymbol{x}$, making the estimated coefficients of the explanatory variables biased.

The shortcomings of both fixed-effects and random-effects models are not to be taken lightly. As stated, the data used in this thesis is panel data, with 20-40 different countries. Therefore, ignoring the effect of country-fixed variables by using a random-effects model could very well lead to biased estimators. At the same time, the explanatory variable of interest – monarchism – is in many cases time-invariant, making fixed-effects models unsuitable. A solution to these issues is to use a hybrid model of fixed and random-effects, described by

Allison (2009) and Mundlak (1978). The procedure for estimating such a hybrid model will be detailed in the following paragraphs.

As stated above, fixed-effects models can be constructed by first substituting every time-varying variable for a variable showing deviation from the group-specific (country-specific) mean. First, the mean value for every country of every time-variant variable, including the dependent variable, is calculated by

$$\bar{y}_i = \frac{1}{T(i)} \sum_{t=1}^{T(i)} y_{it} \qquad (2)$$

$$\bar{\boldsymbol{x}}_i = \frac{1}{T(i)} \sum_{t=1}^{T(i)} \boldsymbol{x}_{it} \qquad (3)$$

where $T(i)$ is the total number of time-series observations *t* for country *i*. Then, the deviation of every observation of every time-variant variable from the country-specific mean of that variable is calculated by

$$y_{it}^* = y_{it} - \bar{y}_i \qquad (4)$$

$$\boldsymbol{x}_{it}^* = \boldsymbol{x}_{it} - \bar{\boldsymbol{x}}_i \qquad (5)$$

and finally, a fixed-effects model is constructed based on the equation

$$y_{it}^* = \mu + \boldsymbol{\beta}\boldsymbol{x}_{it}^* + \boldsymbol{\gamma}\boldsymbol{z}_i + \alpha_i + e_{it} \qquad (6)$$

which gives the same estimates as constructing a fixed-effects model using dummy variables. Similar to fixed-effects model using dummy variables, this model is unable to estimate coefficients for time-invariant variables. Allison (2009), however, suggests a hybrid model of fixed and random effects which replaces the time-varying variables of random-effects models with the group-mean and the group-mean deviation variables of fixed-effects models. This is written as

$$y_{it} = \mu + \boldsymbol{\beta}_1\boldsymbol{x}_{it}^* + \boldsymbol{\beta}_2\bar{\boldsymbol{x}}_i + \boldsymbol{\gamma}\boldsymbol{z}_i + \alpha_i + e_{it} \qquad (7)$$

where $\boldsymbol{x}^*$ is a vector of group-mean deviation variables, $\bar{\boldsymbol{x}}$ is a vector of group-mean variables, and $\boldsymbol{\beta}_1$ and $\boldsymbol{\beta}_2$ are vectors of coefficients showing within-country and between-country effects, respectively. The model used in this thesis is a slight modification of Allison's hybrid model. It uses the original, non-transformed versions of the time-variant explanatory variables, but retains the country-mean variables, resulting in the equation

$$y_{it} = \mu + \boldsymbol{\beta_1 x}_{it} + \boldsymbol{\beta_2}\bar{\boldsymbol{x}}_i + \boldsymbol{\gamma z}_i + \alpha_i + e_{it} \qquad (8)$$

where, $\bar{\boldsymbol{x}}$ is a vector of instrumental variables composed of the country-specific mean of a respective time-variant variable. In this hybrid model, the $\boldsymbol{\beta}_1$ coefficients show within-country variation and are identical to the $\boldsymbol{\beta}$ coefficients in a regular fixed-effects model[11], the $\boldsymbol{\gamma}$ coefficients show between-country variation caused by time-constant variables, and the $\boldsymbol{\beta}_2$ coefficients show the difference between between-country and within-country effects of time-variant variables.

While Mundlak (1978) recommends controlling for the country-specific mean of all time-varying variables, the models in this thesis will follow a slightly different procedure, described by Rabe-Hesketh and Skrondal (2008). This procedure consists of first constructing a model which includes instrumental variables, $\bar{\boldsymbol{x}}_i$, for all time-varying variables, and then constructing a second model, which retains only the instrumental variables that were statistically significant in the first model. This model pools within- and between-country information for a variable if the difference between within- and between-effects is not statistically significant.

One advantage of this model is that it can estimate coefficients of time-varying variables, $\boldsymbol{x}$, that are unbiased of the effect of unobserved time-constant variables, a, while still estimating the effect of time-constant variables, $\boldsymbol{z}$. This avoids one of the biggest disadvantages of fixed-effects models. It should be noted that the between-country coefficients, $\boldsymbol{\gamma}$ and $\boldsymbol{\beta}_2$, may still be subject to omitted variable bias, as the instrumental variables only control for the effect of unobserved time-constant variables on $\boldsymbol{\beta}_1$. This requires the assumption to be made that the country-level, time-invariant variables are uncorrelated with the residuals. However, as

[11] If the panel is unbalanced, the $\boldsymbol{\beta}_1$ coefficients in a hybrid model will be similar, but not identical to the to the $\boldsymbol{\beta}$ coefficients in a regular fixed-effects model.

Bartels (2008:12) notes, a similar assumption is made in OLS regression made that the explanatory variables are independent of the residuals.

A second advantage of the hybrid model, is that it allows for the within- and between country effect of a variable to be estimated separately. Pooling the within- and between-group effects of a variable when they should be estimated separately can lead to what Bartels (2008) terms "cluster confounding." It is entirely possible that a variable can have different longitudinal (within-country) and cross-sectional (between-country) effects. For instance, Zorn (2001) finds evidence that the theorized relationship between democracy and peace is weak when looking at within-group variation, indicating that a transition to democracy might not immediately make a country less conflict-prone. Cluster confounding involves making inferences based on pooled within- and between-group effects, effectively estimating an average of two effects that might be wholly dissimilar By measuring between- and within-group coefficients separately and pooling them only if there is no significant difference, the hybrid model uses the information contained in TSCS data more comprehensively.

There is one set of circumstances in which the version of the hybrid model described by Allison (2009) and Mundlak (1978) – the model formulated in equation 7 – will be used. When an instrumental variable has a significant coefficient while the within-effects variable does not, this indicates that there is a significant difference between within- and between-group effects. In these cases, the Allison (2009) formulation of the hybrid model forms a useful supplement, as it does not use instrumental variables, but rather estimates within- and between-group effects separately. Thus, if, for the variable of interest, the instrumental variable has a significant coefficient while the within-effects variable does not, this model is suited to help ascertain the between-groups effect.

5.3. Adjusted Standard Errors

A common problem when analyzing TSCS data is autocorrelated or heteroscedastic error terms. If the regression errors are not independently and identically distributed (also referred to as i.i.d.), the variance-covariance matrix of the OLS estimates can be inaccurate, leading to imprecise standard errors and significance tests (Baum, 2006; Hox, 2010). The models in this thesis will use Driscoll and Kraay (1998) standard errors to account for autocorrelation and heteroscedasticity, as well as spatial correlation. The following section will outline the intuition and mathematics behind different forms for standard error adjustment.

In the following section, $\boldsymbol{X}$ will denote an $N \times k$ matrix of values, showing N observations on k independent variables, with a column containing only ones representing the constant term. Coefficient vectors (such as $\boldsymbol{\beta}$) are $k \times 1$ column vectors, while data vectors (such as $\boldsymbol{x}_i$) are $1 \times k$ row vectors containing the values on the regressors. $\boldsymbol{x}_i$ is the ith row of the $\boldsymbol{X}$ matrix; $\boldsymbol{x}_t$ is the tth row of a time-series $\boldsymbol{X}$ matrix; and, in terms of panel datasets, $\boldsymbol{x}_{it}$ is the row pertaining to observation i at time t. Finally, $\boldsymbol{e}$ is an $N \times 1$ vector of error terms and e_i is the error term for observation i.

In OLS analysis, the regression coefficients, including the intercept, is estimated by

$$(\boldsymbol{X}'\boldsymbol{X})^{-1}\boldsymbol{X}'\boldsymbol{y} \qquad (9)$$

where $\boldsymbol{X}$ is the $N \times k$ matrix of values on the explanatory variables, while $\boldsymbol{y}$ is the $N \times 1$ vector of values on the dependent variable. The variance-covariance matrix of the estimates (VCE) is calculated by

$$\sigma^2(\boldsymbol{X}'\boldsymbol{X})^{-1} \qquad (10)$$

where σ is the variance of the error term, an unknown population parameter estimated by the variance of the residuals:

$$\boldsymbol{e}'\boldsymbol{e}/(N-k) \qquad (11)$$

The standard errors of the regression coefficients can then be calculated by taking the square roots of the diagonal elements of the matrix.

One common solution to the problem of heteroscedasticity is to use robust standard errors using the Huber-White (HW) estimator (Baum, 2006:137), which is calculated by

$$HW = \frac{N}{N-k}(\boldsymbol{X}'\boldsymbol{X})^{-1}\left(\sum_{i=1}^{N} e_i^2 \boldsymbol{x_i}'\boldsymbol{x_i}\right)(\boldsymbol{X}'\boldsymbol{X})^{-1} \qquad (12)$$

where $\boldsymbol{e}$ is the $N \times 1$ vector of error terms and $\boldsymbol{x_i}$ is the ith row of the $N \times k$ matrix of values on the explanatory variables. The parenthesized expression is known as the sandwich term, as it is sandwiched between the $(\boldsymbol{X}'\boldsymbol{X})^{-1}$ terms.

When faced with both heteroscedasticity and autocorrelation the Newey-West (NW) estimator of the VCE can be used. This estimator is similar to Huber-White, but uses a different sandwich term. If we let Ω_l be a $k \times k$ matrix calculated by

$$\Omega_l = \sum_{t=l+1}^{T} (\boldsymbol{x}_{it} e_{it})'(\boldsymbol{x}_{it-l} e_{it-l}) \quad (13)$$

then the Newey-West VCE can be estimated by

$$NW = \frac{N}{N-k}(\boldsymbol{X}'\boldsymbol{X})^{-1}\left(\Omega_0 + \sum_{l=1}^{L} w_l\,(\Omega_l + \Omega_l')\right)(\boldsymbol{X}'\boldsymbol{X})^{-1} \quad (14)$$

where L is a parameter specifying the lag length within which autocorrelation in the error term is considered likely and w_l is the Bartlett kernel weights, calculated by

$$1 - \frac{l}{L+1} \quad (15)$$

The function declines as l rises, so that higher order lags are weighted less and less. The term Ω_0 in equation 14 is identical to the sandwich term of the Huber-White estimator. By adding to this estimator a term taking into account autocorrelated residuals, the Newey-West estimator of the VCE produces standard errors that are heteroscedasticity and autocorrelation consistent (referred to as HAC).

Driscoll and Kraay (1998) argues that, when analyzing panel data, Newey-White standard errors are susceptible to cross-sectional, or spatial, dependence. Since the dataset used in this thesis is composed of countries that can be clustered into subregions – such as North Africa or the Persian Gulf – contagion effects or geographically concentrated events can cause the regression errors to be non-independent. As Hoechle (2007:283-285) argues, it is inappropriate to control for temporally correlated (autocorrelated) residuals without considering cross-sectional dependence. An available method to control for cross-sectional dependence is using Driscoll-Kraay standard errors. They are based on the Newey-West estimator, but are calculated by adding an extra step. If we let Γ_t be a $1 \times k$ vector calculated by

$$\Gamma_t = \sum_{i=1}^{N(t)} \boldsymbol{x}_{it} e_{it} \qquad (16)$$

where *N(t)* denotes the number of countries measured in a given year, and we let Ω_l be a $k \times k$ matrix calculated by

$$\Omega_l = \sum_{t=l+1}^{T} \Gamma_t' \Gamma_{t-1} \qquad (17)$$

then the Driscoll-Kraay estimator of the VCE can be calculated by

$$DK = \frac{N-1}{N-k}\frac{M}{M-1}(\boldsymbol{X}'\boldsymbol{X})^{-1}\left(\Omega_0 + \sum_{l=1}^{L} w_l\,(\Omega_l + \Omega_l')\right)(\boldsymbol{X}'\boldsymbol{X})^{-1} \qquad (18)$$

The difference between the Driscoll-Kraay and Newey-West estimators, aside from the small-sample adjustments in the beginning of the equation, is that in the Driscoll-Kraay procedure, the products of the regressors and error terms (the vectors denoted by $\boldsymbol{x}_{it}e_{it}$) are clustered by year (equation 16) before the Newey-West correction is applied. This is because spatial correlation can be regarded as a time-series problem in the cross-sectional means of the $\boldsymbol{x}_{it}e_{it}$ products (Foote, 2007). Hence, Driscoll-Kraay standard errors are HAC as well as robust to spatial correlation (Driscoll and Kraay, 1998). While the original formulation of the Driscoll-Kraay estimator required the dataset to consist if balanced panels, Hoechle (2007) proposes to simply allow *N(t)* – the number of countries for a given year *t* – to vary with *t*. With this adjustment, the estimator can be used with unbalanced panels.

One issue with both the Driscoll-Kraay and Newey-West estimators, is that there is no justification for using the Bartlett kernel to weight the estimators (Baum, 2006:141), meaning that there are several alternative weighting procedures that can be used. In addition, the expected maximum length of the autocorrelation – denoted by *L* in the equations above – must be specified by the researcher. In both cases, the models on this thesis will follow the advice given by Hoechle (2007), who argues in favor of using the Bartlett kernel and setting the *L* parameter as the integer part of $4(T/100)^{2/9}$.

5.4. Logistic Regression

The four variables used in this thesis to measure political stability – violence, protest, regime instability and government instability – could conceivably be analyzed using linear regression, but there are convincing arguments for using other statistical techniques. The variables measuring stability are fundamentally different from the six variables that measure political liberalization. They are principally composed of count data, and will necessarily have a lower bound at zero, which often means that the coefficients obtained by conventional regression analysis are nonsensical, predicting negative values. They are also highly skewed, with a long tail at the right, since a majority of country-years have zero instances of political instability. This means that the normality assumption of linear regression is violated. These are indications that the variables are unsuited for OLS analysis. While they can be transformed into data with distribution more amenable to linear regression, they are more suited for analysis using other methods (Hox, 2010:141).

Count variables can be analyzed using Poisson regression, which estimates the probability of observing *y* events given conditions *x*. Poisson models do not have the assumption that the dependent variable is normally distributed. They are instead designed to analyze event count data, which has a lower bound at zero and is often skewed – data that follow the Poisson distribution. One problem with using Poisson regression is that two of the stability variables, violence and protest, have a variance that vastly exceeds the mean, indicating that they do not follow the Poisson distribution. This is termed overdispersion, and can be dealt with by using negative binomial regression instead of Poission regression (Hox, 2010:155). A bigger problem is that the variables measuring regime and government instability are each partly composed of variables that are not, strictly speaking, count variables: regime durability and government fractionalization. Measuring these variables using Poisson or negative binomial regression would most likely give misleading results. Because of this, the four variables measuring political stability are recoded into binary variables and analyzed using logistic regression. This will admittedly entail a certain loss of information, but it does alleviate some of the problems associated with the data. As argued in section 4.3., the variables are better suited to measure instances of instability than degree of instability.

The hybrid method of fixed and random effects detailed above can be extended to use with logistic regression (Allison, 2009), and will be used to measure the stability variables as well. To control for temporal dependence, a procedure suggested by Carter and Signorino (2010)

will be used. It consists in generating a time-variable, and calculating polynomials of that variable by squaring and cubing it. By including the variables time, time squared and time cubed in the model, the conventional assumption that the observations are temporally independent can be relaxed. The model will be fitted with robust (Huber-White) standard errors to address heteroscedasticity, clustered by year to account for spatial correlation. This procedure is similar, but identical, to the Driscoll-Kraay procedure, which is not available for logistic analysis.

5.5. Other Methodological Considerations

Several factors must be taken into account when considering the causality of the explanatory variables in the different models of this thesis. This section will discuss the possibility of reciprocity, curvilinearity and interaction effects.

Any positive association between the explanatory variables measuring economic growth or GDP per capita and the dependent variables measuring political stability or liberalization could be the result of reciprocal effects. While affluence or economic growth may indeed cause political liberalization, a different interpretation is that democracy might cause higher levels of growth, for instance by more effectively securing property rights (Przeworski and Limongi, 1993). Similarly, a reciprocal relationship between political stability and economic growth is conceivable, as economic growth increases decreases incentives for opposition while stability is conducive to investment and growth (Feng, 1997).

There is also a possibility that the linear regression function does not accurately describe the relationship between the continuous dependent and explanatory variables. As an example, the relationship between ethnolinguistic fractionalization and political stability has been argued to be curvilinear, in that the instability created by ethnic grievances can be counteracted by increased organizational costs of fighting if the level of fractionalization is high (De Soysa, 2002). Inspections of scatterplots of the variables used in this thesis do not seem to indicate that any of the relationships are strongly curvilinear, and since the key variable of interest – monarchy – is a binary variable, polynomial terms for the continuous explanatory variables will not be included in the models.

The presence of interaction effects has not been explored as a possibility. Yom (2011) argues that the effect that oil rents have on a political system depends on certain conditions present

before and during the discovery of oil. Since the stability and relative openness of Arab monarchies have been attributed to their access to rents while the same rents in other cases have been argued to cause repression and civil war (see Bjorvatn and Naghavi, 2011; Haber and Menaldo, 2011; Herb, 2005; Menaldo, 2012), there could be an interaction effect between monarchism and fuel income. If this were the case, certain institutional characteristics of monarchical regimes could affect how the rents were spent, creating distinctions between oil-rich monarchies, oil-rich republics and other oil-poor regimes. While interactions between monarchism and other explanatory variables are relevant topics, they will not be explored in this thesis. This is because the literature on monarchical exceptionalism does not point to any one variable with which monarchism interacts, and that due to the statistical method used – the hybrid model of fixed and random effects – the addition of several interaction terms, along with their instrumental variables, would restrict the efficiency of the models.

Finally, a note should be made on significance levels. The models in this thesis analyze a large number of units (N is between 442 and 1668 in the different models), which increases the probability of significant results. Therefore, the null hypothesis will be accepted if a coefficient is not significant at the 5 % level. At the same time, it is important to note that significance thresholds are essentially arbitrary (Gelman and Stern, 2006). For that reason, results with p-values slightly higher than 0.05 will still be discussed.

Chapter 6 - Analysis

The aim of this thesis is to provide an empirical assessment of the theory of monarchical exceptionalism, which states that monarchies as a category of authoritarian regimes are significantly different from non-monarchical regimes. Monarchies have generally been hypothesized to affect the level of either political stability or political liberalization. Discussion of contemporary monarchies is restricted to the Middle East, as the vast majority of reigning monarchs are found in that region. This chapter will present the results of the statistical analyses, testing the theory of monarchical exceptionalism. Initially, the focus will be on the Arab world, analyzing first the levels of political liberalization and then the odds of political instability, both concepts decomposed into several dependent variables as described in chapter four. Subsequently two tables will be presented testing whether the findings on the Arab world can generalized to the Asia-Pacific. As detailed in section 4.2., the variables used to measure liberalization in the Middle East are not available for many of the countries in the Asia-Pacific region, and a different set of indicators will be used to compare liberalization in the Asia-Pacific and the Middle East. The final set of models presented will show the analyses of political stability in Asia-Pacific, along with a recap on the findings concerning stability in the Middle East.

6.1. Conventional Wisdom: Monarchical Exceptionalism in the Arab World

The conventional wisdom concerning monarchies states that monarchies in the Middle East have certain characteristics that distinguish them positively from non-monarchies in the same region. The following section will examine models testing this hypothesis.

Political liberalization – Contestation, human rights

Table 3 shows the results of the first set of analyses. Each column presents a regression model with a different dependent variable. The explanatory variables are the same in every model, except for the instrumental variables, which, as detailed in section 5.2., are only included in the final model if the difference between within- and between-effects is statistically significant. The last three explanatory variables, Percent Muslim, Ethnolinguistic Fractionalization and Island, do not have instrumental variables, as they are time-constant.

The first two columns of table 3 show the models analyzing political rights and freedoms in the Middle East. The dependent variable in the first model is the Physical Integrity Rights

Table 3: Political Liberalization in the Middle East

	1 Physical Integrity Rights Index	**2** Empowerment Rights Index	**3** Elite Accord	**4** Mass Accommodation
Monarchy	**1.085****	**-0.888****	**2.341***	**1.734****
	[7.91]	**[-3.37]**	**[2.71]**	**[5.07]**
Monarchy,			**-2.495****	**-1.826****
instrumental var.			**[-2.78]**	**[-4.82]**
log(GDP per Capita)	-0.547	-1.168**	-0.0735	0.119*
	[-1.53]	[-3.09]	[-0.93]	[2.05]
log(GDP per Capita),	1.303**	2.063**		
instrumental var.	[2.95]	[3.97]		
Economic Growth	0.599	0.494	-0.449	0.802*
	[0.96]	[0.71]	[-1.15]	[2.44]
Economic Growth,	42.01**	28.58**	17.45**	9.611+
instrumental var.	[4.72]	[5.10]	[4.16]	[1.73]
log(Fuel Income PC)	-0.0973**	-0.0577*	-0.0749	-0.0753**
	[-3.33]	[-2.37]	[-1.64]	[-5.13]
log(Fuel Income PC),		-0.167**	0.0907*	
instrumental var.		[-4.42]	[2.54]	
Democracy	0.301	1.288*	4.876**	2.875**
	[0.59]	[2.21]	[5.90]	[6.72]
Democracy,	4.373**			
instrumental var.	[4.39]			
Cold War	0.782**	1.681**	0.331+	-0.770**
	[3.81]	[6.80]	[2.00]	[-3.23]
Cold War,			-7.483**	-3.608**
instrumental var.			[-4.59]	[-4.84]
log(Population)	0.722	0.416**	0.501**	0.144
	[1.64]	[3.18]	[4.27]	[0.59]
log(Population),	-1.163*			0.28
instrumental var.	[-2.51]			[1.23]
log(Area)	-1.338*	-0.320**	-0.540**	-0.197**
	[-2.57]	[-4.45]	[-4.30]	[-3.10]
log(Area),	1.224*			
instrumental var.	[2.28]			
Percent Muslim	0.0694**	0.0503**	-0.0131	0.00532
	[3.23]	[3.31]	[-0.83]	[0.66]
Ethnolinguistic	0.476	-1.586**	-1.512**	-1.412*
Fractionalization	[0.59]	[-4.41]	[-3.10]	[-2.59]
Island	-1.127**	1.253*	-3.782**	-0.554*
	[-3.06]	[2.15]	[-8.41]	[-2.08]
Constant	-3.504	-8.193**	14.28**	7.787**
	[-1.10]	[-2.99]	[8.12]	[7.16]
R^2	0.564	0.421	0.405	0.4
Years	1981 - 2007	1981 - 2006	1950 - 2007	1950 - 2007
Observations	460	442	969	969

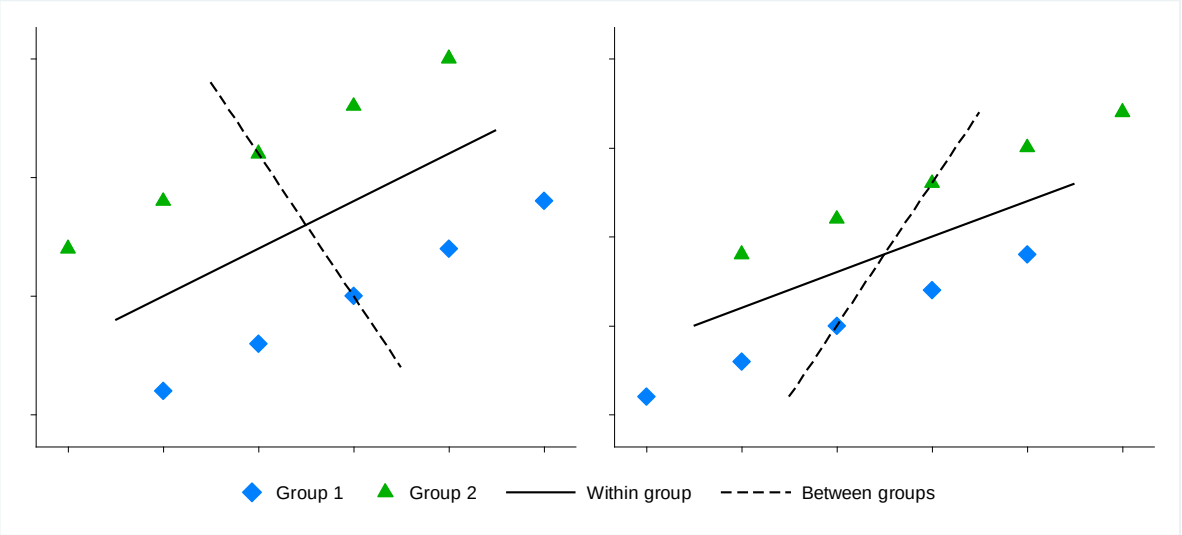
Notes: OLS regressions with Driscoll-Kraay standard errors, using instrumental variables to account for country-fixed effects. Regression coefficients on the instrumental variables show the difference between between-countries and within-country effects. *t*-statistics in brackets.
** significant at 1 %, * significant at 5 %, + significant at 10 %.

Index, which runs from 0 to 8, while the dependent variable for the second model is the Empowerment Rights Index, which runs from 0 to 10. On both variables, higher values indicate more respect for human rights. Monarchies have significantly higher levels of respect

for physical integrity rights. When all other explanatory variables are held constant, monarchies are 1.085 points higher on the index. This is in line with the theoretical expectations. More surprising are the results from the second model, which indicate that monarchies respect the empowerment rights of their citizens to a significantly lower degree than non-monarchies. Recall that the Physical Integrity Rights Index measures torture, extrajudicial killing, political imprisonment and disappearance, while the Empowerment Rights Index measures freedom of movement, speech and religion, as well as worker's rights and political participation. The results of these two analyses suggest that while monarchies rely on brute repression to a lower degree than their republican counterparts, their respect for rights and freedoms associated with political activity is significantly weaker.

Models three and four of the table show the determinants of political contestation in the Middle East. The third model examines how political power is distributed across elites, while the last model shows how power is distributed to the mass level. Since both models have significant instrumental variables of monarchy, an explanation of how between- and within-group effects are to be interpreted is in order. As detailed in the section concerning the hybrid model of fixed and random effects, when the difference between the between-effects and within-effects of an explanatory variable is significant, an instrumental variable consisting of the country-specific means of that variable is included. The within-country effect of a given variable is shown by that variable's coefficient, while the between-countries effect is the difference between the coefficient on the instrumental variable and the within country-coefficient. The within-effects coefficient tells us the change on the dependent variable in a given country resulting from a one-point increase on the explanatory variable over time, while the between-effects coefficient tells us what the difference between two countries is if country A on average has a one point higher value on the explanatory variable than country B. An example of this can be seen in the column 2 of table 3 in the variables measuring the effect of fuel income on empowerment rights. Both of the variables have a significant effect; the within-country variable has a coefficient of -0.0577, while the instrumental variable has a coefficient of -0.167. This means that an increase of one per cent – since the variable is log-transformed – in fuel income in a country is predicted to lead to an change of -0.0577 in empowerment rights (within-country effect), while if country A on average has one per cent higher fuel income than country B, their difference in score is predicted to be (-0.0577 − 0.167 =) -0.225 points (between-countries effects).

Figure 3: Illustration of Between- and Within-group Variation



Notes: Illustration of between- and within-group effects in two hypothetical situations.

Figure 3 is a basic illustration of the difference between between-groups and within-group variation. Both graphs in the model are based on a panel dataset consisting of 10 observations across two groups, which are equivalent to countries in the data used in this thesis. Observations on each group are marked by either triangles or diamonds. The solid line shows the within-group effect, which is positive in both cases, while the dotted line shows the between-groups effect, which is negative in the graph to the right, and positive in the graph to the left. The two observations that are intersected by the dotted line, are the mean values of each respective group, which is the value measured by the instrumental variables used in the hybrid model. As illustrated in the graph to the left, it is possible that within-group effects are positive (higher values on the x-axis correspond to higher values on the y-axis) while between-group effects are negative (higher mean values on the x-axis corresponds to lower values on the y-axis).

The figure also illustrates why the actual between-countries effect is not the coefficient on the instrumental variable, but rather the difference between that coefficient and the within-country coefficient. To correctly estimate the effect of an increase in the country-level mean value of a variable, that increase must be assumed to coincide with a corresponding increase on the variable itself. An increase in the instrumental variable without the corresponding increase in the within-country variable is equivalent to a situation where country A has a higher mean value than country B, but in a given year has a lower than average value on the same variable. This can be further elucidated by returning to the example of fuel income and

empowerment rights, which, to recap, involves a within-country effect of -0.0577 and a between-countries effects -0.225. If country A at time T has a fuel income of 0 and also an average fuel income of 0 then, if all other explanatory variables are hypothetically fixed at 0, model 2 of table 3 predicts its empowerment rights score to be -8.193 (the constant term). If country B at time T has a fuel income of 1 and an average fuel income of 1 then, given the same conditions, its predicted empowerment rights would be -8.418. The difference between the two predicted scores, -0.225, is the sum of the coefficient of the within-effects variable and the instrumental variable, but comes about only as a result of between-countries effects. On the face of it, this might seem illogical, since the fuel income variable, measuring within-country effects, has increased by 1, but since the level of fuel income in both country A and B is equal to the respective country-level average, there are no within-country effects at play.

Turning the attention back to the third model and effects of monarchy, the within-effects variable has a coefficient of 2.341, while the between-effects variable (the instrumental variable) has a coefficient of -2.495, significant at the 5 % and 1 % level, respectively. The coefficient on the within-effects variable is usually interpreted as showing the effect of a one-point increase on the explanatory variable. However, since there are no instances in the dataset of one-point increases on the monarchy-variable – no country in the Middle East has transitioned *to* a ruling monarchy since 1950 – the within-country coefficient is more accurately interpreted as the inverse of the effect of a transition *from* a ruling monarchy. Using this logic, the within-effects coefficient tells us that a transition from a monarchical to a non-monarchical regime is predicted to lead to a change of -2.341 in elite accord, which is in line with theoretical expectations of the positive effect of monarchism. The instrumental variable, however, shows that the between-countries effects is (2.341 − 2.495 =) -0.154. Since monarchy is a dummy variable, its instrumental variable measures the proportion of time that a country has been a monarchy in the period covered by the model. The negative coefficient indicates that countries that saw a higher proportion of monarchical country-years have lower levels of elite accord.

The fourth model shows a similar relationship. The within-country effect of monarchism is significantly positive, while the instrumental variable shows that between-effects are negative. In both models, the positive within-effects are larger than the negative between effects, 2.341 and 1.734 compared to -0.154 and -0.092, respectively. Since both the original monarchy

variable and the instrumental variable range from 0 to 1, this indicates that the positive within-country effects have the largest impact.

The results from the third and fourth model suggest that there are differences between the monarchies that were overthrown and the ones that have survived. The positive within-country effects indicate that the ousting of a ruling monarch generally leads to less political contestation, but that countries that have been monarchies for longer periods of time, contrary to theoretical expectations, do not have higher levels of political contestation.

Stability – Violence, protest, government stability and regime stability

Table 4 shows the results of a set of logistic regression analyses of political instability in the Middle East. The dependent variable in each model is a binary variable that has the value 1 if there is any political instability in the respective category (e.g. violence, protest, regime instability or government instability) in a given year. This means that a significant positive coefficient on an explanatory variable indicates that the variable is a determinant of instability. In keeping with the recommendations of Beck (2010) the terms measuring time, consisting in the models of table 4 of polynomial time trends, will not be interpreted substantively, and they are therefore not reported in the table.

The dependent variable in model 1 is Violence, which is a component variable measuring instances of guerilla warfare, revolutions or assassinations. The negative and statistically significant coefficient shows that monarchies are less likely to suffer from this type of political instability. The coefficients of logistic regression are less straightforward to interpret than those of linear regression, since the coefficient only tells us how much the logit of the measured event changes when the explanatory increases with one. DeMaris (1993) recommends fixing continuous variables at their mean and categorical variables at their mode in order to calculate the estimated probability of the measured event in cases that are of interest. When the other explanatory variables are fixed at their means and modes – including the instrumental variable for monarchy, measuring the proportion of monarchical country-years – the marginal predicted probability of violence are 7 % in a monarchical country-year and 32 % in a non-monarchical one. If those two probabilities are calculated into odds (0.07 and 0.47, respectively) the ratio between those odds is 0.15, which is the antilogarithm of the coefficient of the monarchy-variable, -1.898.

Table 4: Political Stability in the Middle East

	1	2	3	4
	Violence	Protest	Regime Instability	Government Instability
Monarchy	**-1.898****	**0.136**	**-3.328****	**-0.990***
	[-2.87]	**[0.58]**	**[-3.72]**	**[-2.28]**
Monarchy,	**1.676***		**3.011****	
instrumental var.	**[2.32]**		**[3.19]**	
log(GDP per Capita)	-0.419**	-0.224	-1.465**	-1.196*
	[-3.17]	[-1.39]	[-3.65]	[-2.41]
log(GDP per Capita),			1.301**	1.900**
instrumental var.			[2.97]	[3.88]
Economic Growth	-0.734	-0.873	-0.867	0.356
	[-1.07]	[-0.83]	[-1.06]	[0.43]
Economic Growth,				-21.42**
instrumental var.				[-3.05]
log(Fuel Income PC)	-0.0192	-0.0138	0.00508	-0.0228
	[-0.94]	[-0.48]	[0.18]	[-0.46]
log(Fuel Income PC),				-0.201**
instrumental var.				[-2.73]
Democracy	-0.897*	0.504	-3.173**	
	[-2.14]	[1.45]	[-3.39]	
Democracy,	4.912**		6.053**	
instrumental var.	[4.74]		[3.79]	
Cold War	-0.933**	-0.641	-2.288**	-0.820*
	[-2.95]	[-1.41]	[-4.55]	[-2.08]
Cold War,				34.24**
instrumental var.				[3.10]
log(Population)	-1.473**	0.542**	-1.647*	-1.280*
	[-3.08]	[3.61]	[-2.32]	[-1.99]
log(Population),	1.892**		1.765*	2.406**
instrumental var.	[3.65]		[2.26]	[3.27]
log(Area)	-0.0735	-0.112	-0.0382	2.215+
	[-0.76]	[-0.97]	[-0.37]	[1.96]
log(Area),				-2.759*
instrumental var.				[-2.32]
Percent Muslim	-0.00547	-0.0432**	-0.0168	0.0412+
	[-0.38]	[-2.84]	[-1.05]	[1.89]
Ethnolinguistic	1.967**	-1.882*	-0.828	-0.851
Fractionalization	[3.04]	[-2.34]	[-1.05]	[-1.12]
Island	-0.277	1.491**	0.468	-0.794+
	[-0.56]	[2.74]	[0.91]	[-1.95]
Constant	-0.215	2.903	2.318	-31.81**
	[-0.09]	[1.19]	[0.72]	[-2.70]
Years	1950 - 2007	1950 - 2007	1950 - 2000	1974 - 2006
Observations	981	981	867	676

Notes: Logit regression using instrumental variables to account for country-fixed effects. Standard errors are clustered by year; polynomial time trends are included to account for serial correlation, but not reported. Coefficients on the instrumental variables show the difference between between-countries and within-country effects. z-statistics in brackets.
** significant at 1 %, * significant at 5 %, + significant at 10 %.

The instrumental variable for monarchy is also statistically significant, which means that the between-countries effect is significantly different from the within country effect. Even though the coefficient is positive, the actual between-countries effect is still negative, as -1.898 +

1.676 = -0.222. To arrive at meaningful estimations of the changes in marginal probabilities caused by the between-countries effect, one must consider changes in both the within-country variable and the instrumental variable. The positive between-countries effect of monarchism is best exemplified by contrasting countries that have been monarchies the entire period covered by the model, with countries that have been republics the entire period. The former group of countries has a predicted probability of violence of 16 %, while the latter has a predicted probability of 20 %. The antilogarithm of the odds ratio between the two cases is -0.222, which equals the between-countries coefficient.

The results from the first model of table 4 indicates that if a country transitions from a monarchy to a republic, the probability of political violence increases, and that countries that have generally seen more monarchical country-years are less likely to experience the same type of political instability. This is in line with the theoretical expectations.

The second model of table 4 measures the determinants of protest, defined as the occurrence of strikes, riots or anti-governmental demonstrations. Surprisingly, it shows no statistically significant relationship between monarchism and protest. This runs counter to the literature on monarchism, which to a significantly degree has focused on monarchies seeing less protest than republics.

Model 3 shows that the relationship between monarchism and regime stability is similar to that between monarchism and violence. While both within country and between country effects are significantly negative (recall that the actual between countries effect is the sum of the coefficients on the monarchy-variable and its instrumental variable), the within country is much larger. It bears mentioning that the dependent variable measuring regime instability is sensitive to changes in the rules of the political process that does not necessarily amount to full-scale regime changes, such as constitutional changes and fluctuations in the degree of political freedom. Several scholars (see Anderson, 1991; Yom and Gause, 2012) have emphasized monarchs' surprising ability to maintain their grip on power. Due to the definition of regime stability used by this model there is no reason to assume, a priori, that these monarchies have a lower probability of regime instability. The negative coefficients in the third model, however, indicate that despite of the sensitivity of the dependent variable used, monarchies have more stable political regimes, which is in line with the theoretical expectations.

Model 4 shows that monarchies have significantly lower government instability. Since the model only covers the years 1974 - 2006, there are no transitions between monarchy and non-monarchy in the data analyzed. This means that the coefficient reflects only between-countries variation. Based on the model, we can say that, when fixing continuous variables at their means and binary variables at their modes, the probability of government instability is 42 % in a monarchy and 66 % in a republic. Note that the variable controlling for the effect of democracy is not included in this model. This is because the democracy variable perfectly predicts the outcome – government instability is present in all the democratic country-years – which makes it impossible to estimate a coefficient. To prevent the effect of democracy from affecting the comparison of monarchical and non-monarchical authoritarian regimes, twelve democratic observations are dropped from the model – seven from Comoros, one from Lebanon and three from Sudan.

The results from table 4 largely conform to the theoretical expectations concerning Arab monarchies and political stability. Three out of four models indicate a negative and statistically significant relationship between monarchical regimes and the probability of instability, both concerning within-country and between-countries variation. The exception is model 2, which finds no significant relationship between monarchism and protest.

6.2. Testing Generalizability: Asia-Pacific

While the vast majority of ruling monarchies that remained in existence into the period of study (from 1950 to the present) have been Arab monarchies, there have been monarchies in other regions. Most notable is the Asia-Pacific. The following section will examine whether models of the Asia-Pacific region reveal the findings as models of the Middle East. Thus, the following models constitute a test of generalizability – can the findings on Arab monarchies be extended to other monarchies?

Political liberalization

Table 5 shows four models analyzing the determinants of contestation and inclusiveness in the Middle East and the Asia-Pacific, using linear regression analysis. The purpose of this analysis is to compare the models of the Middle East with those of the Asia-Pacific, in order to ascertain whether the theory of monarchical exceptionalism might apply to non-Arab monarchies. The dependent variables used in the original analysis of liberalization in the Middle East – the models presented in table 3 – are not available for the entire Asia-Pacific.

Table 5: Contestation and Inclusion the Middle East and the Asia-Pacific

	Middle East		Asia-Pacific	
	1	**2**	**3**	**4**
	Contestation	Inclusion	Contestation	Inclusion
Monarchy	**0.213****	**0.775+**	**-0.0409**	**0.0931**
	[3.37]	**[2.05]**	**[-0.32]**	**[0.47]**
Monarchy,	**-0.134***	**-2.059****	**0.211***	**-1.051****
instrumental var.	**[-2.59]**	**[-5.03]**	**[2.13]**	**[-4.69]**
log(GDP per Capita)	0.0318	0.0736	0.0309	0.122**
	[1.29]	[1.23]	[0.89]	[3.26]
log(GDP per Capita),			0.0898*	
instrumental var.			[2.41]	
Economic Growth	0.0454	0.191	-0.2	0.0843
	[0.79]	[1.02]	[-0.81]	[0.24]
Economic Growth,	3.897**	15.80**		
instrumental var.	[3.92]	[6.80]		
log(Fuel Income PC)	-0.0191**	0.000527	-0.0108	0.0057
	[-3.95]	[0.03]	[-1.44]	[0.55]
log(Fuel Income PC),		-0.0524*		-0.0488*
instrumental var.		[-2.22]		[-2.48]
Democracy	1.313**	1.016**	1.335**	0.707**
	[18.85]	[5.24]	[28.80]	[5.84]
Democracy,		-2.962**		-0.726**
instrumental var.		[-3.30]		[-4.53]
Cold War	-0.0687	0.141	0.0835+	0.0497
	[-1.13]	[0.97]	[1.91]	[0.90]
Cold War,	-1.919**	-6.038**	-0.11	-0.804**
instrumental var.	[-6.08]	[-4.77]	[-1.19]	[-5.58]
log(Population)	0.0777*	0.610**	0.0401**	0.474**
	[2.42]	[4.38]	[3.07]	[3.32]
log(Population),		-0.341*		-0.462**
instrumental var.		[-2.21]		[-3.31]
log(Area)	0.662**	1.501*	0.0134	0.0492**
	[4.88]	[2.34]	[1.47]	[3.16]
log(Area),	-0.774**	-1.760**		
instrumental var.	[-5.36]	[-2.86]		
Percent Muslim	-0.00657**	-0.0197*	-0.00108	-0.000267
	[-3.71]	[-2.10]	[-1.67]	[-0.20]
Ethnolinguistic	-0.634**	-1.579**	0.678**	-0.00101
Fractionalization	[-5.19]	[-3.14]	[3.85]	[-0.01]
Island	-0.637**	-1.351**	0.512**	0.277**
	[-9.47]	[-11.87]	[10.07]	[3.78]
Constant	1.834**	6.517**	-2.100**	-0.941*
	[3.53]	[4.53]	[-9.56]	[-2.63]
R^2	0.691	0.487	0.759	0.364
Years	1950 - 2000	1950 - 2000	1950 - 2000	1950 - 2000
Observations	891	891	1460	1460

Notes: OLS regressions with Driscoll-Kraay standard errors, using instrumental variables to account for country-fixed effects. Regression coefficients on the instrumental variables show the difference between between-countries and within-country effects. *t*-statistics in brackets.
** significant at 1 %, * significant at 5 %, + significant at 10 %.

Therefore, a new set of models is constructed, replacing the dependent variables with variables measuring contestation and inclusiveness, created by Coppedge et al. (2008), which

are available for a larger number of countries. The determinants of these two dependent variables are estimated for both regions.

As described by Coppedge et al. (2008:632) the concept of contestation involves

> "the ability of citizens to gather independent information, band together in groups such as parties, compete in elections free of government interference, influence the selection of the executive, and have their interests and rights protected by courts and legislative representatives."

Conversely, inclusiveness refers to the breadth of participation: the proportion of the population that is actually entitled to participate in contesting the conduct of government. On both variables, higher values on the variable correspond to higher levels of liberalization.

Recall that of table 3 showed certain discrepancies in the effects of monarchy, with some positive and some negative directions of association. The first two models of table 5 are generally analogous to those results. Monarchies have significantly higher levels of contestation than non-monarchies, although the between-countries effect is weaker than the within-country effect, at 0.079 and 0.213 respectively. With regard to inclusiveness, however, the between-countries effect of monarchy on inclusion is significant and negative. In addition, the within-country effect is not statistically significant at the chosen significance level. This means that the null hypothesis that transitions from monarchy do not influence inclusiveness is accepted.

More importantly, the results in the models analyzing political liberalization in the Asia-Pacific are largely similar. As with the models of the Middle East, the instrumental variable for monarchism has a significant coefficient in both model 3 and 4, with a positive between-countries effect on contestation and a negative on inclusion. Patterns of within-country effects are not as distinct. The within-country relationship between monarchy and contestation is significant and positive in the Middle East and non-significant in the Asia-Pacific, while that between monarchy and inclusion is non-significant in both regions.

As detailed in the methodology chapter, a significant coefficient on the instrumental variable indicates that there is a significant difference between within-country and between-countries variation, but does not necessary mean that there is a significant between-countries effect. To enable more precise analyses of within- and between-country effects, models 2, 3 and 4 have

been re-estimated using the hybrid model originally proposed by Allison (2009), which is described in equation 7 in section 5.2. This model regresses the dependent variable on the country-level means and country mean deviations of every explanatory variable, and is functionally equivalent to including every possible instrumental variable. Since this formulation of the hybrid model estimates between- and within-group effects separately, it can be used to obtain the actual between-countries coefficient, and its standard error. The results of the two re-estimations are highly similar to the original models shown in table 5, and will for that reason not be reported. As in models 2, 3 and 4 in table 5, the within-country effect is not statistically significant, while the between-countries effect of monarchism is significantly positive on contestation and significantly negative on inclusiveness.

Taken together, the models of table 5 show that the relationship between monarchy and liberalization is strikingly similar in the Middle East and the Asia-Pacific. They also substantiate the finding that there is no clear-cut positive association between the two variables. Monarchism does show a significant effect in the majority of cases, but at the same time, the effect is surprisingly often negative.

Stability

Table 6 shows the results of logistic analyses of political stability in the Asia-Pacific. For the sake of comparison and readability, the results of the corresponding analyses of the Middle East are replicated from table 4, and shown in columns 1, 2 and 3. Due to lack of data availability, the analysis of government stability cannot be performed on the countries in the Asia-Pacific.

The relationship between monarchism and political stability in the Asia-Pacific is in some cases similar to that found in the Middle East, and in other cases starkly different. Column 4 shows that monarchism has a significantly negative effect on the probability of violence in the Asia-Pacific, and that, as opposed to in the Middle East, there is no significant difference between the within-county and between-countries effect.

Model 5 analyzes the determinants of protest in the Asia-Pacific. As with the models measuring contestation and inclusion in the Asia-Pacific, the instrumental variable is significant while the variable measuring within-country effects is not. Again, the model is re-

Table 6: Political Stability in the Middle East and the Asia-Pacific

	Middle East			Asia-Pacific		
	1	**2**	**3**	**4**	**5**	**6**
	Violence	Protest	Regime Instability	Violence	Protest	Regime Instability
Monarchy	**-1.898****	**0.136**	**-3.328****	**-0.740***	**-0.207**	**-1.150***
	[-2.87]	**[0.58]**	**[-3.72]**	**[-2.44]**	**[-0.69]**	**[-2.16]**
Monarchy,	**1.676***		**3.011****		**1.372****	**1.469***
instrumental var.	**[2.32]**		**[3.19]**		**[3.20]**	**[2.48]**
log(GDP per Capita)	-0.419**	-0.224	-1.465**	-1.469**	0.0064	-0.363**
	[-3.17]	[-1.39]	[-3.65]	[-6.25]	[0.10]	[-5.06]
log(GDP per Capita),			1.301**	0.993**		
instrumental var.			[2.97]	[4.26]		
Economic Growth	-0.734	-0.873	-0.867	-3.228**	-1.831	-3.638*
	[-1.07]	[-0.83]	[-1.06]	[-2.75]	[-1.32]	[-2.30]
Economic Growth,					11.28**	
instrumental var.					[2.66]	
log(Fuel Income PC)	-0.0192	-0.0138	0.00508	0.106**	-0.0312	-0.00828
	[-0.94]	[-0.48]	[0.18]	[2.94]	[-1.55]	[-0.16]
log(Fuel Income PC),				-0.117*		0.163**
instrumental var.				[-2.57]		[2.91]
Democracy	-0.897*	0.504	-3.173**	-0.460*	-0.29	-0.494
	[-2.14]	[1.45]	[-3.39]	[-2.12]	[-1.01]	[-1.46]
Democracy,	4.912**		6.053**	1.155**	2.336**	1.104*
instrumental var.	[4.74]		[3.79]	[3.66]	[6.27]	[2.26]
Cold War	-0.933**	-0.641	-2.288**	0.0964	-0.383	-0.737*
	[-2.95]	[-1.41]	[-4.55]	[0.43]	[-1.33]	[-2.11]
Cold War,				4.160**		1.863*
instrumental var.				[6.38]		[2.35]
log(Population)	-1.473**	0.542**	-1.647*	-1.184*	1.248**	-0.557**
	[-3.08]	[3.61]	[-2.32]	[-2.33]	[3.07]	[-8.54]
log(Population),	1.892**		1.765*	1.386**	-0.801+	
instrumental var.	[3.65]		[2.26]	[2.61]	[-1.95]	
log(Area)	-0.0735	-0.112	-0.0382	0.161**	-0.00305	-0.439**
	[-0.76]	[-0.97]	[-0.37]	[3.46]	[-0.05]	[-9.48]
Percent Muslim	-0.00547	-0.0432**	-0.0168	0.00701**	0.0105**	0.00894**
	[-0.38]	[-2.84]	[-1.05]	[3.18]	[5.62]	[3.68]
Ethnolinguistic	1.967**	-1.882*	-0.828	2.632**	-0.35	-2.787**
Fractionalization	[3.04]	[-2.34]	[-1.05]	[9.14]	[-0.94]	[-5.99]
Island	-0.277	1.491**	0.468	0.742**	-0.226	-0.519*
	[-0.56]	[2.74]	[0.91]	[3.27]	[-1.16]	[-2.25]
Constant	-0.215	2.903	2.318	-6.288**	-5.855**	11.97**
	[-0.09]	[1.19]	[0.72]	[-5.19]	[-6.39]	[10.84]
Years	1950 - 2007	1950 - 2007	1950 - 2000	1950 - 2007	1950 - 2007	1950 - 2000
Observations	981	981	867	1668	1667	1437

Notes: Logit regression using instrumental variables to account for country-fixed effects. Standard errors are clustered by year; polynomial time trends are included to account for serial correlation, but not reported. Coefficients on the instrumental variables show the difference between between-countries and within-country effects. *z*-statistics in brackets.
** significant at 1 %, * significant at 5 %, + significant at 10 %.

estimated using the hybrid model described by Allison (2009), eschewing instrumental variables and estimating within-effects and between-effects separately, and again, the results of the re-estimation are similar to those shown in the table. This indicates that in the Asia-Pacific, monarchies are, surprisingly, more likely than non-monarchies to experience political

protests. According to model 5, the predicted probability of protest in a country that has been monarchical the entire period covered by the model is 42 % while the probability of protest in a country that has been a republic the entire period is 19 %.

As a side note, models 4 and 5 are the only two models that cover an example a post-1950 transition to a ruling monarchy, which occurred in Nepal in 2002 when the king deposed the democratic government. Although the impact on the models of a single transition to monarchism must be assumed to be small, it is nonetheless important to keep in mind, as the within-country coefficients of monarchy in models 4 and 5 of table 6 are the only ones that are based on transitions both to and from monarchical regimes. Although the final model, shown in column 6, also analyzes the Asia-Pacific, it only spans the years 1950-2000, and consequently only includes transitions from monarchism.

Model 6 shows the determinants of regime instability in the Asia-Pacific. While the corresponding model analyzing the Middle East (shown in column 3) shows negative within- and between-countries effects, the model for Asia-Pacific shows a negative within-country effect and a positive between-countries effect. The predicted probability of regime instability in a monarchy that has seen the average proportion of monarchical regime-years is 16.9 %, while the probability for a republic that has seen the same proportion is 38.3 %. This reflects the within-country effect, and tells us that a transition from monarchism generally corresponds to less stable regimes. Conversely, a monarchy that has been monarchical the entire period covered has a 40.3 % predicted probability of regime instability, while a country that has been non-monarchical the entire period has a predicted probability of 33.3 %. This is a result of the positive between-countries effect, and suggests that a monarchy is, overall, less likely to have a stable regime. Since the theory of monarchical exceptionalism in large part focuses on the stability of monarchic regimes, this is highly surprising.

6.3. Model Diagnostics

There are several underlying assumptions of the regression models that have been presented above. The following section will test these assumptions and diagnose potential problems in the models. Under each heading, tests will be performed for the models using linear regression first, and the ones using logistic regression second. However, as Cohen, Cohen, West and Aiken (2003) points out, testing assumptions in logistic regression is less

straightforward than in linear regression. Tests for the logistic regression models will therefore be included where applicable.

Hausman tests for fixed and random effects

The Hausman test can be employed to examine whether the model used should be a fixed- or random-effects model. The test compares two models, with the null hypothesis that both models are consistent, but that the random-effects model is more efficient. Performing the Hausman test on the models in this thesis using linear regression – the models presented in tables 3 and 5 – without the instrumental variables, results in a significant test statistic for every model. This indicates that the null hypothesis that the random-effects models are consistent must be rejected. Thus, fixed effects models are preferable to random-effects, as they are always consistent.

When the Hausman test is used to compare the fixed-effects models with the hybrid models, the results are quite different. In every instance except one, the test statistic is not significant. This means that the hybrid models and the fixed-effects models are both consistent. Since there are compelling arguments for using the hybrid model – such as the ability to measure between- and within- group variation – the hybrid model will be used. The one instance in which the Hausman test resulted in a significant test statistic is the model analyzing political contestation in the Asia-Pacific, model 3 of table 5. Despite the significant test statistic, the hybrid model is used in this case too, in order to better facilitate comparison across all the models.

Unfortunately, the Hausman test is not available for logistic regression models. Since the models using logistic regression – the models presented in table 4 and 6 – are based on the same data as the ones using linear regression, the assumption is made that the hybrid method of fixed- and random-effects is preferable for the logistic regression models as well.

Autocorrelation, heteroscedasticity and cross-sectional dependence

As mentioned in the methodology chapter, a central assumption to linear regression is that the error term is independently and identically distributed (i.i.d.). Autocorrelation – also referred to as serial correlation – represents a common violation of this assumption. Autocorrelation occurs when the error terms of a regression model are mutually correlated. This is often occurs when analyzing panel data or time-series data, since each observation can be expected

to share similarities with the observation that precedes it in time. Using the test of autocorrelation in time-series cross section data described by Wooldridge (2002) and Drukker (2003) on the models in this thesis using linear regression – without adjusted standard errors – reveals indications of autocorrelation in all the models.

Heteroscedasticity in the error terms represents another common violation of the i.i.d. assumption. It occurs when the variance in the error terms is not equally distributed along the values of the independent variables. The White (1980) test indicates that all the models based on linear regression suffer from heteroscedasticity.

Finally, cross-sectional, or spatial, dependence in the error terms can violate the i.i.d. assumption. Certain events or common factors can cause correlation within cross-sections of the data, which are transmitted to the error terms. A test developed by Pesaran (2004; see also De Hoyos and Sarafidis, 2007) can be used to check for spatial correlation in the models in this thesis using linear regression. The models measuring physical integrity rights and empowerment rights are too unbalanced to test using, since the CIRI variables lack data for the Comoros, Djibouti and Qatar before 2003. To provide a rough test of cross-sectional dependence in these models, they are re-estimated without the three countries. The results show that cross-sectional dependence is present in every model, except for the model analyzing physical integrity rights and the one analyzing political contestation in the Asia-Pacific.

The presence of autocorrelation and heteroscedasticity in all the models, and cross-sectional dependence in every model but two, indicates that using Driscoll-Kraay adjustment of the standard errors is preferable. Although two of the models show no indications of cross-sectional dependence, Driscoll-Kraay standard errors are still used in order to ensure accurate comparisons of all the models.

Multicollinearity

Multicollinearity occurs when two or more of the explanatory variables are highly correlated. In multiple regression models, some multicollinearity is to be expected – if every explanatory variable is uncorrelated to the others, there is no need for control variables. High correlation between the explanatory variables, however, can result in inflated standard errors and a situation where small changes in the statistical model lead to great fluctuations in the results.

A useful test for multicollinearity is the variance inflation factor (VIF). The VIF-values of the explanatory variables used in all of the models in this thesis indicate that there are no cases of high multicollinearity. The exception is the instrumental variables, which are often highly correlated with the respective within effects variable, and the polynomial time variables in the models using logistic regression, with are correlated with each other. Multicollinearity between polynomial terms is expected, and should not be considered very problematic (Eikemo and Clausen, 2007:125). In addition to this, the issue of multicollinearity itself has been argued to be exaggerated (Midtbø, 2012:129; Wooldridge, 2009:97). Because of this, the problems of multicollinearity that are present in the models, although non-trivial, will not be considered to be substantial.

Influential observations

There are different measures of how single observations in a model can be considered atypical. Observations with large residuals are not well explained by the model, and are termed outliers. Observations that have values on the explanatory variables that deviate greatly from the mean have high leverage. Finally, if a given observation has a disproportionately large effect on the results of a regression model, it can be termed an influential observation. Influence is a result of both outliers and leverage (Sarkar, Midi and Rana, 2011). If a few observations influence the key parameters of interest in a model, the generalizability of that model is called into question.

A common measure of influence is Cook's distance, introduced by Cook (1977), which for each given unit examines the change in a model if the model is re-estimated without the unit. Bollen and Jackman (1990) suggest treating any observation with a Cook's distance larger than *4/N* as an influential observation. Calculating Cook's distance for the observations in the models using linear regression reveals that between 4.7 and 7.5 % of the observations should be considered influential. This suggests that some of the models have problems with influential observations. However, when the models are re-estimated with all the influential cases excluded, the key variables of interest, monarchy and the instrumental variable for monarchy, do not change level of significance or direction of effect in any of the models. This indicates that the findings in this thesis are not caused by a few influential observations.

For models that use logistic regression, the delta-beta measures of influence, introduced by Pregibon (1981), is a commonly used counterpart to Cook's distance (Chen, Tang and Wang,

2010). Unfortunately, there seems to be little discussion concerning cutoff points for delta-beta values. Using *4/N* as an identifier of influential observations results in more than 50 % of the observations being tagged as influential in some of the model, which clearly indicates that it is too stringent. Scott and Freese (2003) seem to suggest that a delta-beta statistic of 0.2 is high. Using that value as a threshold on the models in this thesis, the proportion of influential observations is between 0.05 and 2.7 %, which is lower than for the linear models. When the models are re-estimated without the influential observations, the within- and between group coefficients for monarchy do not change significance level or direction of effect in any of the models.

Robustness and alternative models

A final test of the strength of the models in this thesis consists of performing analyses of the same variables using different statistical methods. This will give a general indication of the robustness of the findings.

To test the robustness of the linear models, they are re-estimated in two different versions. One uses Prais-Winsten regression and Huber-White standard errors to account for autocorrelation and heteroscedasticity, while the other uses panel-corrected standard errors along with Prais-Winsten transformation. The results of the two sets of re-estimations are largely identical to the models using Driscoll-Kraay standard errors. The only two exceptions are the models measuring mass accommodation in the Middle East – model 4 of table 3 – and political contestation in the Asia-Pacific –model 3 of table 5. Concerning mass accommodation, the effect of monarchy loses its significance in the Prais-Winsten/Huber-White model while the between-effect changes to a positive effect when using panel-corrected standard errors – it is negative in the original model. Concerning political contestation, the effect loses its significance in both of the alternative models.

The models using logistic regression have been re-estimated using time-dummies instead of time trend polynomials to account for serial correlation, as well as using ordered logistic regression and negative binomial regression to analyze the original count variables, as opposed to dummy variables. As was the case with the linear regression models, the results of the re-estimations are nearly identical to the original models. The exceptions are the model measuring political violence in the Middle East, for which the between-countries effect of monarchy loses its significance when using time-dummies, and the model measuring

government instability in the Middle East, for which the effect of monarchy loses its significance when using time dummies and when using ordered logistic regression.

A caveat to these robustness checks is that the assumptions of the alternative models have not been tested as thoroughly. There may be cases where the alternative models are not suited. The results of the re-estimations should therefore not be taken at face value, but rather as a test of the robustness of the original models. Nonetheless, the robustness tests show that using different estimation techniques or standard error adjustments would not alter the results significantly.

Diagnostic summary: model weaknesses

Since a total of 18 models have been presented in this thesis, short summary of the weaknesses of the different models that have been uncovered in this section, is in order.

The models measuring political violence and government instability in the Middle East have some shortcomings. They are both vulnerable to changes in the statistical technique used, such as replacing time polynomials with dummy variables. The model measuring mass accommodation in the Middle East is also less robust to changes in the statistical model. There are also some issues with multicollinearity in the instrumental and time trend variables that affect almost all of the models.

The model measuring political contestation in Asia-Pacific is the model that suffers from the most shortcomings. It is, along with the model measuring physical integrity rights, the only model for which the Hausman test indicates that a random-effects model is preferable, which means that the hybrid model can be considered inefficient. It is also the only model that does not display indications of cross-sectional dependence. While this might seem like a strength, Hoechle (2007) finds that Driscoll-Kraay standard errors are slightly less suited than other standard error adjustments – such as Huber-White, Newey-West or Rogers standard errors – when there is no cross-sectional dependence. In addition, the findings in the model are different when the statistical model is changed. Taken together, the tests suggest that the model measuring political contestation in the Asia-Pacific is less robust than the other models presented.

Chapter 7 - Discussion

This chapter will discuss the results presented in the previous chapter. It will initially review and clarify aspects of the models that do not directly pertain to the monarchy variables, before discussing what the results say about monarchism in the Middle East and in Asia-Pacific. The chapter concludes with a discussion of what the models can intimate about the future of monarchy.

Looking at the control variables in the models presented reveals some interesting patterns. In five of the models – the ones analyzing physical integrity rights, elite accord, mass accommodation, contestation in the Middle East and violence in the Asia-Pacific – the variable measuring fuel income has a direction of association that is opposite to that of monarchism. Thus, the models indicate that the two variables not only have effects independent of each other, but in some cases even opposite of each other. This calls into question the position that monarchical exceptionalism can be traced back to rentierism, as suggested by Yom and Gause (2012).

Another thing that bears mentioning is the coefficients for some of the instrumental variables. The instrumental variable for economic growth, and partly the instrumental variables measuring the effect of democracy and the cold war, have coefficients that greatly exceed those of the within-country variables. One example of this can be seen in the model analyzing physical integrity rights (model 1 of table 3), in which the within-country effect of economic growth is 0.599 and the between-countries effect is (0.599 + 42.01 =) 42.609. While this might seem implausible, the high coefficient is merely the result of little variation in the instrumental variable: the within-group variable has a range (i.e. difference between the maximum and minimum values) of 1.8 while the instrumental variable spans a range of 0.07. Thus, while the effect of a one percent difference in the mean level of economic growth between two countries seems to be much greater than the effect of a one percent increase in the rate of growth within a country, changes in country-mean levels of growth tend to be much smaller than year-to-year changes within countries. The instrumental variable measuring the effect of the cold war shows similar patterns. While the within-country cold war variable necessarily stretches from 0 to 1, the instrumental variable can have a range as small as 0.07 – as it does in the model measuring governmental instability in the Middle East (model 4 of table 4). This explains the comparatively high coefficients for the instrumental

variable. Variations in the country means of the cold war reflects how many cold war-years the country has seen – a high value on the instrumental variable indicates that the country saw many cold war-years, while a value of 0 means that the country became independent after 1988. The sometimes-significant between-countries coefficients on the cold war variable reflect peculiarities with countries that saw few or no cold war-years.

7.1. Monarchism in the Middle East

Several findings from the models support the theory of monarchical exceptionalism in the Middle East. There is a significant and positive relationship between monarchy and physical integrity rights, indicating that monarchies respect basic human rights, such as freedom from torture and political imprisonment, to a greater degree than authoritarian republics. The results concerning political stability, shown in table 4, indicate that monarchies in the Middle East also have higher regime and government stability than republics, and that there is less political violence.

One surprising result from the models measuring the effect of monarchism in the Middle East is the non-significant relationship between monarchies and protest, shown in model 2 in table 4. Menaldo (2012) arrives at similar results, and suggests that this is to be expected, as monarchism "should not be associated with civil actions that may serve as a relief valve that keeps citizens from seeking violent means to elicit political change." The variable used to measuring protest is created by counting instances of strikes, riots and anti-governmental demonstrations. The notion that monarchism is expected to be uncorrelated with these forms of protest, and that they should be considered "civil disobedience or criminal matters involving conflict between private citizens" (Menaldo, 2012:718), seems at odds with the experiences from the Arab Spring. In Tunisia and Egypt, political transitions were triggered by precisely the forms of protests measured by the variable – strikes, peaceful demonstrations and violent confrontations with regime forces (Nepstad, 2011). For this reason, the non-result concerning monarchism's impact on the probability of protest comes as a surprise, and should be considered counter to the theory of monarchical exceptionalism.

Another surprising finding is the differences between within-country and between-countries effects of monarchism. The models analyzing elite accord and mass accommodation both show positive within-effects and negative between-effects. This suggests that monarchies that have transitioned from monarchy to republic – which in the dataset amounts to Egypt, Iraq,

Yemen and Libya – have higher levels on the dependent variables before the transition, while countries that have been monarchies throughout the period generally have lower levels than the ones that have been non-monarchical the entire period. This is consistent with Herb (1999), who argues that there are fundamental differences between the Middle Eastern monarchies that were toppled and the ones that have survived. According to Herb, the still-existing monarchies survived because of the practice of dynasticism. It is possible that the differences between the two groups of monarchies suggested by some of the models in this thesis are caused by the mechanisms described by Herb.

The negative relationship between monarchy and empowerment rights is also unexpected. The empowerment rights index is composed of indicators measuring freedom of movement, freedom of speech, workers' rights, political participation and freedom of religion. One possible explanation of the negative coefficient is the religious basis of some monarchies in the region, which might affect ethno-religious relations and issues related to women's rights. The most notable example is Saudi Arabia, where there is a history of discrimination against the Shi'ite religious minority (Arzt, 1996), and where women are largely prohibited from participating in public life (Doumato, 2011). Other examples can be found in Kuwait, where women's right to vote and run as candidates for the legislature was only granted as recently as 2006 (Ehteshami and Wright, 2007), and Bahrain, where the Sunni Al Khalifa dynasty rules over a disenfranchised Shi'ite majority population (Castellino and Cavanaugh, 2013). Compared to the secularism and gender equality that has often been espoused by non-monarchical rulers in the region – in Tunisia, for instance, labor laws were modified in 1993 to include references to nondiscrimination and some maternal protection (Wing and Kassim, 2007) – this can be an reason for monarchy's negative effect.

The negative between-countries effects of monarchy on both elite accord and mass accommodation are not in line with theoretical expectations, but do to some extent match the findings in Spinks et al. (2008). They suggest that the higher scores attained by republics on some indices of political contestation is related to dominance of a single party in the electoral system and voting being compulsory, which can lead to higher degrees of voter participation in republics.

Taken together, the models presented in tables 3 and 4 largely support the theory of monarchical exceptionalism in the Middle East, but also points to patterns that run counter to

the conventional wisdom. Monarchy has a significant effect on almost all of the dependent variables, which suggests that politics in monarchies is indeed fundamentally different from that in non-monarchies. The direction of monarchy's effect, however, is often surprising. Concerning basic human rights and several dimensions of political stability, the results in the models are in line with expectations. In some cases related to political contestation, however, monarchies have significantly lower scores than republics. The non-significant relationship between monarchy and the probability of protest is also surprising. The fact that the wave of protests sweeping over the Arab Spring has mostly occurred republics, is not reflected as a general relationship in the data. This calls into question arguments made by Menaldo (2012) and Yom and Gause (2012), that the lack of protest in monarchies is a result of the regime type itself. The other models measuring political stability, however, confirm the observation that monarchies are indeed more politically stable than republics.

7.2. Monarchism in the Asia-Pacific

The motivation for conducting analyses of monarchies in the Asia-Pacific is to examine whether the findings on the Middle East are generalizable to monarchies in other parts of the world. The results concerning political liberalization show many similarities. Monarchies in both regions generally have higher levels of political contestation and lower levels of inclusion. The within-country effect of monarchy on political contestation is different in the two regions, though, which indicates that there is little effect of a transition from monarchy in the Asia-Pacific.

Turning to the effect of monarchy on political instability, we can see greater divergence between the two groups of monarchies. One relationship that does occur in both regions is the negative effect of monarchy on the probability of political violence. The probability of mass protests, however, is significantly higher for monarchies in the Asia-Pacific, while there is no significant effect in the Middle East. Recall that none of the models analyzing the Middle East found a positive relationship between monarchy and probability of instability. There are clear examples of mass civil protests occurring in monarchies in the Asia-Pacific, such as Nepal in 1990 and 2006 and Tonga in 2006 (Kennedy, 2012; Routledge, 2010), while these forms of popular uprisings have been comparatively rare in the monarchies of the Arab world. Of relevance is also the fact that the results on the Asia-Pacific are only apparent on the between-countries variable. This suggests that a transition to or from monarchy does not affect the

probability of protest. Again, an example can been seen in the case of Nepal, which continued to experience a considerable amount of public protests after transitioning from a ruling monarchy to a democracy in 1991 (Lawoti, 2007).

There are also considerable differences when it comes to regime stability. While the model analyzing the Middle East shows that monarchies have a significantly lower probability of experiencing regime instability, the model on the Asia-Pacific has a negative within-country coefficient and a positive between-countries coefficient. This means that if a given country transitions away from monarchy, the probability of instability will increase, but if an established monarchy is compared to an established republic, the latter is predicted to have a more stable political regime.

The differences between the models analyzing political stability in the Middle East and in the Asia-Pacific indicate that the relationship between monarchy and stability is not the same in the two regions. The reason for this is difficult to surmise based on the data at hand, but certain possibilities are apparent. Middle Eastern countries are generally younger than those in the Asia-Pacific. Although sovereign statehood largely is a recent occurrence in both regions, countries as Bhutan, Nepal, Thailand, Cambodia, and Tonga have existed as distinct entities for centuries. This can be contrasted with Arab states like Iraq, Jordan, Libya or Syria, which were created *ex nihilo* well into the 1900s. As mentioned in the theory chapter, Anderson (1991) relates the resilience of Arab monarchy to the process of state- and nation building, which she contends is more easily undertaken by a monarch than a revolutionary republican leader. This proved very useful in the Middle East, as only a few Arab states have a history that stretches back beyond the twentieth century. Thus, the differences between stable monarchies and unstable republics in the Middle East might be explained by the state- and nation building capabilities of monarchs, and the lack of a similar difference in the Asia-Pacific can be explained by weaker demand for said capabilities in the region.

Another possible explanation is that monarchies in the Asia-Pacific have not had access to the same diplomatic, financial and military support from foreign patrons as Arab monarchies often have. Yom and Gause (2012) point to “unwavering support” from the United States, Saudi-Arabia and, in the case of Morocco, France, as an explanation of the resilience of monarchies in the Middle East. There is little indication of similar levels of diplomatic

support and material aid awarded to the monarchies of the Asia-Pacific, and this could explain why there is no clear relationship between monarchy and political stability in the region.

7.3. The Future of Monarchy

The findings in this thesis provide some clues to the future of monarchies. It should be noted, however, that predicting the political future of the Middle East based on models of the past is at best an imprecise venture, and at worst approaches the "democracy forecasting" criticized by Brownlee (2002).

Several scholars have highlighted the exceptional stability found in Middle Eastern monarchies. Commenting on the events of the Arab Spring, both Menaldo (2012) and Yom and Gause (2012) attribute the absence of regime-threatening protests in the region's monarchies to regime type, and imply that this resilience is likely to remain in the long term. Others, such as Davidson (2012), argue that the catalysts for political change are present in the Gulf monarchies today just as they in 2010 were present in Tunisia, Egypt and other states with now-toppled regimes. According to this view, monarchism does not necessarily provide any safeguards against increasing challenges in the coming years. Others again suggest that the current liberalization in some Middle Eastern monarchies might represent an intermediate stage in a long-drawn process of democratization (Ehteshami and Wright, 2007). The fact that there have been several transitions away from ruling monarchy in the Asia-Pacific the past decade – occurring either in the form of deposition, such as Nepal in 2008 or as a transition to constitutional monarchy, such as the current developments in Bhutan and Tonga – also casts doubt on the image of monarchical invulnerability.

One surprising find is the non-significant relationship between monarchy and the type of mass civil protest that have become the hallmark of the Arab spring. Thus, the lack of protests in Middle Eastern monarchies does not seem to be a general trend in the 1950-2007 period analyzed. This could indicate that the clear distinction between monarchical and republican experiences since 2011 cannot be attributed to regime differences, which, after all, have been present during the entire period analyzed.

On the other hand, the models show that monarchy in the Middle East has a significantly negative effect on the probability of regime instability, indicating a greater degree of political continuity in the region's monarchies. The discrepancy between the models analyzing

stability in the Asia-Pacific and the Middle East is also consistent with the theory of exceptional stability in Middle Eastern monarchies. The reason for this can be gleaned by exploring the converse. If the models analyzing political stability in the Asia-Pacific had showed the same results as the models on the Middle East, a reasonable interpretation would be that monarchism in the two regions constituted the same phenomenon. This would mean that the contemporary Arab monarchies are no more secure today than Nepal, Bhutan and Tonga was ten years ago. However, since the models on the Middle East show a positive relationship between monarchy and stability while the models on the Asia-Pacific generally do not, the impression given by the analyses is that Middle Eastern monarchies are indeed exceptional in their stability, and that this exceptionalism did not extend to monarchies in the Asia-Pacific. If nothing else, the findings provide little justification for a prediction of impending monarchical collapse in the Middle East, neither in the form of a violent overthrow of the monarchy nor a transition to a democratic regime with a constitutional monarch.

There is a final qualification to be made concerning the relationship between monarchy and stability. A basic assumption of regression analysis is that of causality – changes in the dependent variable is caused by the explanatory variables, not vice versa. In the case of the exceptionally stable monarchies of the Middle East, this assumption is not fully supported. As presented in the theory chapter, the argument has been repeatedly made that regime type is an independent cause of stability and political continuity among Middle Eastern monarchies. However, a perfectly valid counter-argument can be made that contemporary monarchies have survived due to extant stability in these countries. This points to a confirmation bias, since unstable monarchies will have collapsed into republics, while stable monarchies survived. In this perspective, stability is the cause of monarchy, not the other way around. The argument is supported by the presence of several former monarchies in the region. An example can be seen in the relative difference in stability between Jordan and neighboring Iraq. While Iraq has seen two coups and 31 assassinations since 1960, Jordan has experienced no coups, and "only" five political assassinations. This can be explained by the stabilizing effects of Jordan's monarchy, but it is also plausible that other factors are present in Jordan, and that the survival of monarchy in Jordan was caused by the same factors. Thus, the association between monarchy and stability might be a spurious correlation, both being caused by an underlying variable.

Chapter 8 - Conclusion

8.1. Conclusion

This thesis constitutes a broad and critical assessment of the theory of monarchical exceptionalism. The research question asks whether having a monarchical regime type increases the degree of political liberalization and the level of political stability. A monarch has been defined as a ruler in a lifetime position, who exercises real political power and either was of royal descent before coming to power or was succeeded dynastically. Political liberalization is defined as a greater degree of political contestation and increased levels of basic freedoms, while political stability has been divided into four subcomponents: violence, protest, regime stability and government stability. Statistical analyses have been conducted on countries in two separate regions, the Middle East and the Asia-Pacific.

The analyses of political liberalization in the Middle East show that monarchies are indeed significantly different from non-monarchies, but the effect of monarchy on liberalization is in some cases negative. The effect of monarchy on the respect for physical integrity rights – such as freedom from torture and political imprisonment – is unequivocally positive. On the other hand, the effect of monarchy on empowerment rights – such as freedom of movement, speech and religion – is significantly negative. The models analyzing power distribution among elites and masses indicate that the within-country effects of monarchy are positive while the between-countries effects are negative. This suggests that while monarchies to a higher degree than non-monarchies respect the basic human rights of their citizens, the effect of monarchism on variables that are more closely related to political activities is in some cases negative. This especially pertains to between-countries effects: the more monarchic regime-years a country has seen, the lower mass accommodation and elite accord scores they are predicted to have. Within-country effects are positive, indicating that a transition from monarchy to non-monarchic leads to lower degrees of political liberalization, on both the elite and mass levels.

The fact that the coefficient of the monarchy variable is statistically significant in every model supports the view that monarchical regimes are indeed qualitatively different from republics. There is, however, far from sufficient evidence to claim that levels of political liberalization are generally higher in Middle Eastern monarchies than in republics. The conclusion offered

by Lucas (2004) that monarchies are "more successful at carrying policies of political liberalization" is thus not supported by the analyses in this thesis.

The other part of the research question focuses on political stability. In this matter, the results are clearer. Monarchy is shown to significantly lower the probability of political violence, regime instability and government instability. This supports the conclusion that Middle Eastern monarchies are indeed more politically stable than non-monarchies, as argued by Anderson (1991), Menaldo (2012), Yom and Gause (2012), and others. Surprisingly, the analyses indicate no significant relationship between monarchy and the probability of mass protest. This means that, historically, monarchies have not been shielded any more than republics from the types of events – demonstrations, strikes, violent clashes – that have characterized the Arab Spring.

Overall, the models analyzing the Middle East generally substantiate the theory of exceptional stability in Middle Eastern monarchies, but give conflicting results concerning political liberalization.

Following the tests of monarchical exceptionalism in the Middle East, two sets of models were presented to test whether the findings are generalizable to monarchies in the Asia-Pacific. Results indicate that patterns of liberalization are surprisingly similar in the two regions: the sometimes positive and sometimes negative relationship between monarchy and liberalization can be found in both regions. Findings on political instability in the Asia-Pacific, however, differ sharply from those on the Middle East, indicating that the exceptional stability of Middle Eastern monarchies is not present in the Asia-Pacific.

An important qualification to this conclusion is that the causal direction in the relationship between stability and monarchy is unclear. Regression analysis models assume that the dependent variable – stability – is determined by the explanatory variable – monarchy. In this case, the opposite is a real possibility. The survival of monarchy, and the stability present in modern monarchies, might be the result of factors that are not caused by monarchic regimes. Therefore, although the models confirm the general observation that monarchies are more politically stable than republics, the theory that monarchy as a regime type significantly and causally influences political stability cannot be fully confirmed.

8.2. Implications

While some scholars have posited that monarchies in the Middle East are similar to the republics before the Arab spring and that they are likely to experience increased political unrest or regime transitions in the comings years, the statistical analyses presented in this thesis do not support that argument. Although the likelihood of mass protests is not affected by regime type, Middle Eastern monarchies have significantly lower probabilities of political violence, government instability and regime instability.

In addition to this, there models suggest that – when it comes to political stability – Middle Eastern monarchies constitute a group that is distinct from both Middle Eastern republics and monarchies in the Asia-Pacific. This supports the view that the pressures that lead to the Arab spring in the Middle East or the ones that lead to regime change in the monarchies in the Asia-Pacific are not necessarily present in contemporary Middle Eastern monarchies.

8.3. Further Research

The findings in this thesis raise several questions that are relevant for further research. The casual mechanisms behind monarchical exceptionalism remain unclear. There is no consensus on what the origins of the distinctiveness in Middle Eastern monarchies are, or whether they are institutional features of these regimes, cultural aspects of monarchic countries or geopolitical forces in the region. This thesis has presented evidence pointing to significant and long-lasting differences between monarchical and non-monarchial regimes in the Middle East, but further study is required before the concrete mechanisms can be identified.

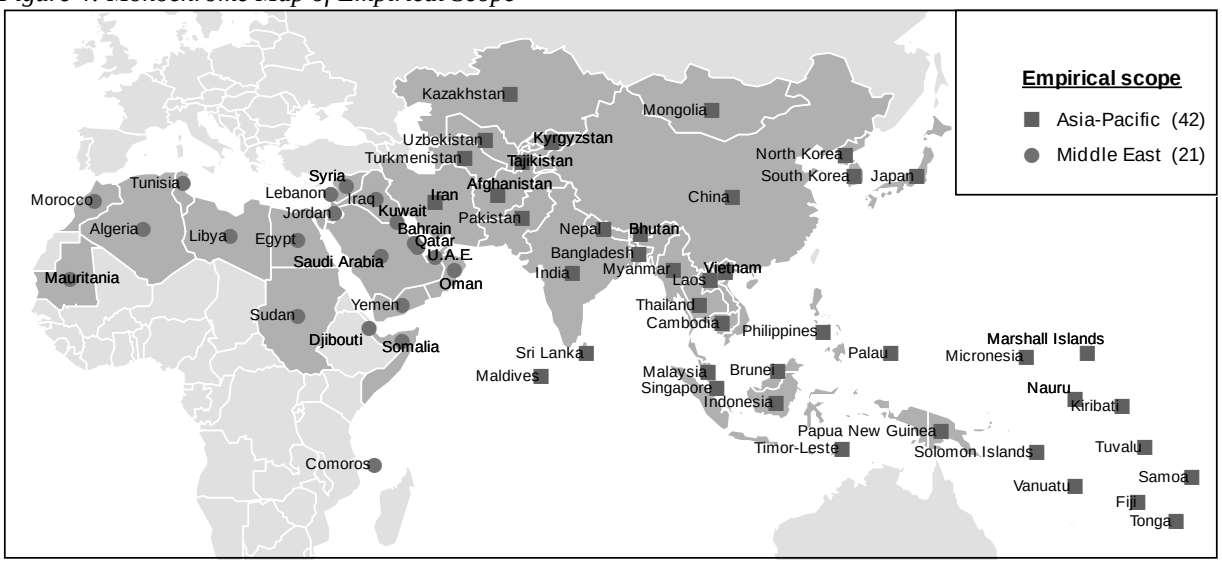
Another potentially fruitful area of study is the difference between the monarchies that have survived and the ones that were toppled. The models of this thesis treats every monarchic country-year equally, regardless of whether the regime later collapsed, and only distinguishes between them by analyzing between-countries and within-country effects monarchy separately. The results clearly indicate that there are differences between the two groups. Research on the contrasts between politics in the monarchical regimes that persist to this day, and in those that have perished will serve to illuminate what similarities there are between the two groups of monarchies, and whether or not the theory of monarchical exceptionalism applies to both.

Finally, the analyses carried out in this thesis would be greatly improved by expanding the temporal scope. Each model is limited by current data availability, and the period of analyses

ends between 2000 and 2007, depending on the dependent variable in the given model. This means that some of the most eventful years are left out. This is the case for both the Middle East – with unprecedented levels of protest and numerous political transitions since 2011 – and the Asia-Pacific – with momentous political developments in the region's monarchies since 2007. Consequently, the years that have passed since the end of this thesis' period of analysis most likely contain a treasure trove of information on causes of liberalization and stability. As more and more scientific data from the past years become available, the theory of monarchical exceptionalism and its continued validity can be more thoroughly tested.

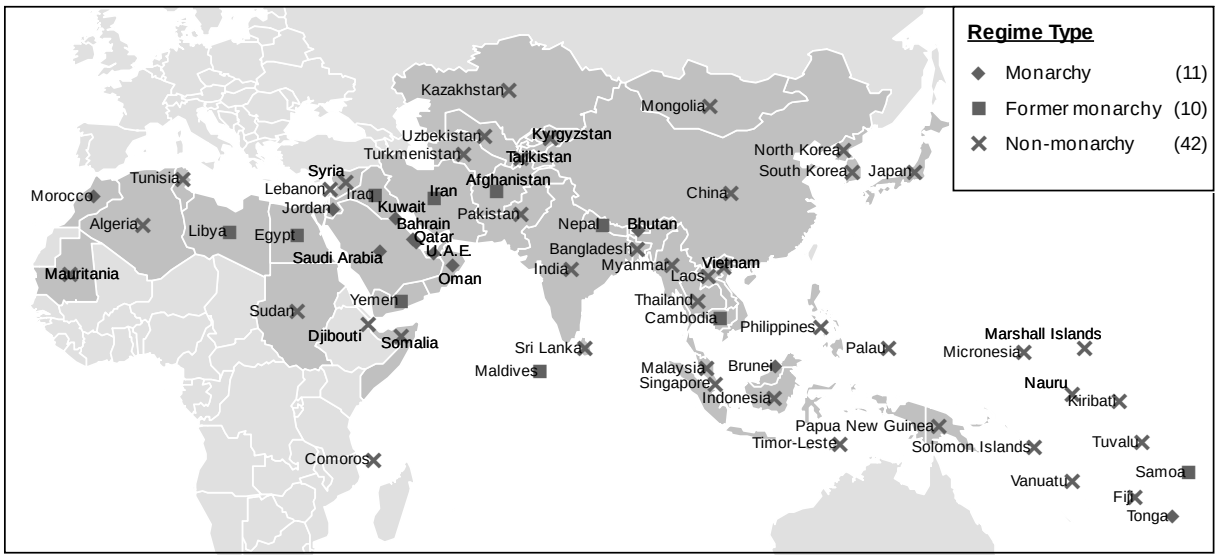
Appendix

Figure 4: Monochrome Map of Empirical Scope



Notes: The map shows how the two regions that make up the empirical scope – the Middle East and the Asia-Pacific – are delineated. It is a monochrome reproduction of figure 1, more suitable for black-and-white printing.

Figure 5: Monochrome Map of Monarchies and Former Monarchies



Notes: The map shows the distribution of monarchies and former monarchies in the Middle East and Asia-Pacific. Non-ruling monarchies and countries that transitioned from monarchy before 1950 are marked as non-monarchy. The figure is a monochrome reproduction of figure 2, more suitable for black-and-white printing.

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