Autocratic Stability in the Shadow of Foreign Threats*

Livio Di Lonardo† Jessica S. Sun‡ Scott A. Tyson§

Abstract

Autocrats confront a number of threats to their power, some from within the regime and others from foreign actors. To understand how these threats interact and affect autocratic survival, we build a model where an autocratic leader can be ousted by a domestic opposition and a foreign actor. We concentrate on the impact that foreign threats have on the stability of autocratic leadership and show that the presence of foreign threats increase the probability an autocrat retains power. Focusing on two cases, one where a foreign actor and the domestic opposition have aligned interests, and one where their interests are misaligned, we elucidate two distinct mechanisms. First, when interests are aligned, autocrats are compelled to increase domestic security to alleviate international pressure. Second, when interests are misaligned, autocrats exploit the downstream threat of foreign intervention to deter domestic threats. We also show that autocrats have incentives to cultivate ideological views among politically influential domestic actors that are hostile to broader interests.

Keywords: Autocracy; Foreign Intervention; Repression; Regime Change

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†Assistant Professor, Department of Social and Political Sciences, Bocconi University, and Dondena Centre for Research on Social Dynamics and Public Policy, Contact Information: livio.dilonardo@uniboccoi.it

‡Ph.D Candidate, University of Michigan, Contact Information: sunjs@umich.edu

§Assistant Professor, Department of Political Science, University of Rochester, and Research Associate, W. Allen Wallis Institute of Political Economy, email: styson2@ur.rochester.edu.

Does the threat of foreign intervention harm or help autocrats hold onto power? This foreign policy question has increasingly gained relevance in an era where key political advisers (most notably, Mike Pompeo and John Bolton in the United States) advocate hawkish intervention in a number of countries, and when there has been an overall decline in democratic governments worldwide.[1] Providing a satisfactory answer to this critical question requires consideration of the nature of the domestic politics of these authoritarian regimes, which requires taking into account that autocratic leaders not only have to guard themselves from foreign enemies, but also have to defend themselves from domestic challenges to their power.

In managing international and domestic threats simultaneously, an autocrat may manipulate domestic politics to influence political considerations in other countries. For instance, in 2014, reports from Syria emerged suggesting that embattled president Bashar al-Assad was purchasing oil from the Islamic State of Iraq and Levant (ISIS), a group who explicitly stated that the removal of Assad was one of its primary goals.[2] Over the following year, official accounts, including reports from the U.S. Embassy in Syria, indicated that the Syrian regime was conducting air strikes that helped facilitate ISIS's advance on Aleppo against forces loyal to the National Coalition for Syrian Revolutionary and Opposition Forces.[3] What was the Assad regime's motivation behind these tactics, which seemingly engendered the rise of ISIS, an influential domestic threat to the Assad regime? Were these strategic miscalculations? At the time, Senator John McCain offered a different view: "It's obvious that Bashar al Assad's strategy is to present us with a choice of ISIS or him so that eventually we will choose him."[4] This alternative explanation suggests that Assad's tactics were part of a broader strategy to fuel the rise of ISIS as a way of providing him with additional, strategic, security assurances. Understanding the connection between the domestic and foreign political threats to autocratic politics

[1] Dexter Filkins, "John Bolton on the Warpath", *The New Yorker*, April 29, 2019. "Freedom in the World 2019: Democracy in Retreat" Freedom House `https://freedomhouse.org/report/freedom-world/freedom-world-2019/democracy-in-retreat`.

[2] Dominic Tierney, "Bashar Al-Assad And The Devil's Endgame", *The Atlantic*, 2015.

[3] `https://twitter.com/USEmbassySyria/status/605471087422488579`.

[4] Josh Rogin. "Obama Admin Debates Whether Assad Really Must Go", *The Daily Beast*, 2014.

is the focus of this article.

Despite not being subject to the kind of political accountability that arises from free, fair, and competitive elections, autocratic leaders face the risk of being unseated through irregular, often violent means (Gandhi and Przeworski 2007; Gehlbach, Sonin and Svolik 2016), either from elites plotting to launch a coup (e.g., Leon 2014; Little 2017; Aidt and Leon 2018*a*), or opposition movements aiming to overthrow the regime through revolution (e.g., Finkel and Gehlbach 2018; Little 2016; Shadmehr 2014). Autocrats also encounter threats that emerge from outside of the regime and, in particular, from foreign actors who can use many different levers to influence autocrats, spanning from indirect sanctions to direct military involvement (e.g., Ritter and Wolford 2012; Carter 2015; Chyzh and Labzina 2018; Spaniel and Smith 2015). The domestic motivation for removing a leader can be to achieve better policies or because of raw ambition (Aidt and Leon 2018*b*; Leon 2013), and can be substantially different from the motivation of outside actors to remove an autocrat, such as achieving better economic and trade opportunities (Aidt and Albornoz 2011; Eguia 2017).

While an autocrat's domestic and foreign threats may appear unconnected because they come from distinct political actors, such threats necessarily become entangled, since they target the same leader. For instance, domestic political elites or opposition groups considering challenging an autocrat need to worry about how foreign actors would react to an abrupt change in leadership. Similarly, foreign actors considering political intervention need to consider how political instability resulting from intervention might open the door for new, and perhaps equally undesirable, political actors to seize power. Taken together, these forces are core issues of autocratic governance, and consequently, accounting for the strategic link between domestic political challenges and potential foreign threats is critical for a complete understanding of autocratic politics.

In this article, we develop a theory of autocratic politics to study how the presence of foreign threats affects the nature of domestic political challenges as well as an autocratic leader's survival strategy and tenure. We build a model detailing the interaction

between an autocratic leader, a domestic opposition, and a foreign actor who benefits from the autocrats removal from power.[5] In the first stage of the game, an incumbent autocrat chooses a level of domestic security, which increases the likelihood that an autocrat survives a domestic political challenge, but also affects the quality of governance and overall economic well-being of her country. After the level of domestic security has been determined, in the second stage, the domestic opposition can challenge the autocrat for power. In the third and final stage, a foreign actor can intervene and remove whoever holds power (either the original leader or the opposition), but cannot dictate who will hold power following intervention. That is, intervention ensures a successful removal of an autocrat but may not necessarily result in better outcomes for foreign powers.

To understand how foreign threats affect the domestic politics within an autocracy, we consider two distinct scenarios, which differ in terms of the relationship between the foreign actor and a domestic opposition. In the first case, the domestic opposition is *aligned*, and shares policy goals or ideological values with the foreign actor, such as the United States and self-proclaimed president, Juan Guaidó, of Venezuela.[6] In cases where the domestic opposition is aligned, investments into domestic security serve a dual purpose. First, higher levels of domestic security (e.g., more aggressive repression) imply that domestic challenges are less likely to succeed. Second, and a novel feature of our theory, increased investments into domestic security both increase the costs of intervening for foreign actors, and divert resources that create economic disruptions, thus reducing the autocrat's ability to threaten foreign actors. As a result, when the domestic opposition is aligned, the presence of a foreign threat amplifies incentives to increase domestic security, and the overall effect is to bolster the autocrat's hold on power.

In the second case, the domestic opposition is *misaligned*, either for ideological reasons or because of a congruence in policy goals, such as the case of ISIS and the United States. When both the leader and opposition are misaligned with foreign interests, the

[5]Our model is not a model of autocratic leadership as an institution (Landa and Tyson 2017), but rather, studies a dilemma autocrats confront as a result of their position within autocratic institutions.

[6]In our model we intentionally abstract from the exact reason for the alignment or misalignment of the domestic opposition with the foreign actor.

political instability associated with foreign intervention, and a foreign actor's inability to control how such political instability unfolds, implies that an intervention that unseats an autocrat may simply allow the misaligned opposition to gain power. But this reduces a foreign actor's willingness to initiate power transitions it cannot control. When instead the domestic opposition has already unseated the leader, the chances that a foreign intervention might pave the way for a more aligned regime are higher, and this leads a foreign actor to only intervene when the autocrat has already been removed from power. As a result, the threat of foreign intervention safeguards an autocrat against domestic challenges.

Combining our analysis from when the domestic opposition is aligned with the case when it is misaligned, we present our two main results. First, we show that foreign threats strengthen an autocrat's hold on power, even when foreign actors desire the autocrat's removal. Second, we show that a domestic opposition who is misaligned with broader interests provides a tactical advantage because the threat of foreign intervention deters domestic challenges from misaligned opposition groups. Moreover, the presence of this deterrent effect implies that the autocrat need not expend much resources on domestic security when the opposition is misaligned, relaxing constraints on her ability to keep power. This last result suggests that autocrats have incentives to support, or even cultivate, more ideologically extreme actors, who are less likely to appeal to broader interests outside of their country.

Our primary contribution is in identifying distinct mechanisms by which foreign threats impact the domestic politics within autocratic regimes. Our results complement other prevalent issues in autocratic tenure, including the guardianship dilemma (Svolik 2013; McMahon and Slantchev 2015), power sharing agreements (Svolik 2009, 2012), and satisfying (e.g., bribing) a domestic constituency (Bueno de Mesquita, Smith, Siverson and Morrow 2003). An autocrat's response to domestic political threats often relies on a variety of repressive tools, including purges and lustration (Nalepa 2008; Montagnes and Wolton 2017), human rights abuses (Schnakenberg and Fariss 2014; Ritter 2014), and

measures designed to prevent coordination among opponents (Dragu and Lupu 2017; Tyson and Smith 2018).[7] However, the consequences of improving domestic security (especially via repressive measures) are not limited to the domestic political arena. Investments in domestic security also negatively affect a country's economy (Besley and Persson 2011; Grier and Tullock 1989), which in turn reduces the ability of the regime to invest in military prowess. Thus, while domestic security contributes to political stability, downstream economic losses and and reduced military capacity limit a leader's ability to project power beyond her country's borders.

Our results highlight how the presence of a foreign threat can serve as a novel, and indirect, source of an autocrat's strength. In our model autocrats' responses to foreign threats are not determined by concerns from domestic political accountability, and there is no incentive for autocrats to attenuate their behavior in the international arena as a way of demonstrating competence (Schultz 1999), or generating audience costs (Fearon 1994; Ashworth and Ramsay 2010). Our model does not rely on informational frictions that might give rise to signaling, either between the leader and the opposition or with foreign actors, to mitigate or exacerbate incentives for regime change (Schultz 2001). In our framework, an autocrat uses the threat of international conflict to coerce domestic support, essentially through deterrence. Although the autocrat in our model uses the threat of conflict to deter domestic challenges, the mechanism is distinct from diversion or "rallying around the flag" effects (Snyder 1991; Smith 1996, 1998), and moreover, autocrats in our model do not benefit directly from conflict (Leeds and Davis 1997; Goemans 2000; Lai and Slater 2006; Debs and Goemans 2010). Instead, we show how autocrats benefit when conflict with foreign actors remains off the path of play, serving instead to deter domestic challenges.

Finally, we also contribute to a growing literature on third-party intervention (Moore 1995; Gleditsch and Beardsley 2004; Lyall and Wilson 2009). While previous work has focused on international intervention in conflicts (Regan 2002; Balch-Lindsay, Enterline

[7]For a review of the literature on repression, see Davenport (2007).

and Joyce 2008), the development of nuclear weapons (Spaniel and Taylor 2015), and democratization (Bueno De Mesquita and Downs 2006; Levitsky and Way 2006), we consider intervention as a means to empower aligned actors to affect political change (Westad 2005; Roessler and Verhoeven 2017). As a nice complement to our article, Chyzh and Labzina (2018) focus on a scenario where a third party and leader are aligned with respect to the objective of preventing domestic challenges to the autocrat's hold on power. Our article, by contrast, focuses on the scenario where a domestic opposition may be aligned or misaligned with a foreign actor, whose interests are misaligned with the autocrat.

The Model

In Home country (H), there is an incumbent *Leader* (L), and an *Opposition* (Z), potentially comprised of military officials, elites of the governing party, or a political party that opposes the current regime. Additionally, there is a third actor, *Foreign* (F), who is not a member of country H's regime, but maintains an interest in who holds power in country H.[8] We discuss the substantive verisimilitude of our assumptions and several features of our model below.

Our game has three stages. In the first stage, Leader chooses a level of domestic security, $x \in [0, X]$. Depending on substantive characteristics of Leader's opponents, domestic security in our model may correspond to different empirical measures in different contexts, like physical suppression, the purging of opposition adherents from positions in state institutions, or the militarization of police forces (for more examples see, e.g., Quinlivan 1999).

In the second stage, and after observing the level of domestic security, x, Opposition decides whether to support Leader, a choice we denote by $s = 0$, in which case Leader retains control of H, or to challenge Leader for control of H, $s = 1$. Challenging L costs

[8]We will refer to L as he, Z as she, and F as it.

$c > 0$ for Z and leads to a domestic political conflict, the outcome of which depends on x and on Opposition's privately known type. We denote Z's type by $\tau \in \mathbb{R}_+$, which represents Z's military strength, command of resources, organizational capacity, as well as other factors that are not completely known by Leader.[9] Formally, Opposition's type is drawn from an absolutely continuous distribution function, Ψ, with full support on $\mathbb{R}_+$ and density function ψ. Leader's choice of x along with Opposition's type, τ, determine the outcome of a political contest through the continuously differentiable function $\rho(\tau, x)$, which represents the probability Z successfully overthrows L, and where $1 - \rho(\tau, x)$ represents the probability Leader retains power (c.f., Skaperdas 1996). The function $\rho(x, \tau)$ is strictly decreasing and convex in x, and strictly increasing and concave in τ. To keep our analysis simple, we assume that $\lim_{\tau \to 0} \rho(\tau, x) = 0$ and $\lim_{\tau \to \infty} \rho(\tau, x) = 1$, meaning that for every x, there exist types that always lose power challenges and types who always win power challenges.

After Opposition's decision, either L or Z holds power in H, and we call this actor the *ruler* (denoted by R). In the last stage of the game, Foreign chooses whether to intervene in H's domestic politics, labeled $w = 1$, or to leave country H unaltered, labeled $w = 0$. Intervention by F unseats the ruler, creating a power vacuum that gives an opportunity for another actor to gain control. If Leader is the ruler, then intervention causes Opposition to gain power with probability q, and with probability $(1-q)$, a *political outsider* from within H gains power.[10]

Holding power at the end of the game is (equally) valuable to both Leader and Opposition, and its value is given by the smooth function $B(x)$, which depends on the level of domestic security in H.[11] The payoff of not holding power is normalized to 0 for both L and Z. Using resources on domestic security disrupts economic activity, through losses of productive labor and the destruction of physical capital, among other factors (e.g.,

[9] Notice that τ is not bounded by X, which is not consequential but simplifies the presentation.

[10] The parameter q could also depend on the strength of the opposition and repression, which would reinforce the incentives we highlight. For simplicity, we exclude these possibilities in the main model and address this in a supplemental appendix.

[11] Extending the model so that L and Z value power differently is straightforward and inconsequential.

Collier and Hoeffler 1998), and to reflect these features, the benefit of holding power, $B(x)$, is strictly decreasing in x. For convenience, we assume that holding power is always valuable, i.e. $B(X) > c$, which means that even at the maximal level of domestic security (i.e. $x = X$), Opposition would still prefer to challenge Leader at cost c if she could depose Leader for sure.[12]

Foreign's payoff depends on three factors: its intervention choice, Leader's choice of domestic security, and the alignment between Foreign's interests and the interests of H's ruler (L or Z). To capture the idea that Foreign represents a threat to the current Leader, we assume that Leader and Foreign have misaligned interests, and we say that L is *misaligned*.[13] In contrast, Opposition can be either *misaligned*, designated as M, or *aligned*, A. The alignment or misalignment between Opposition and Foreign, just like the misalignment between Leader and Foreign, is common knowledge. Foreign strictly prefers an aligned actor to hold power in H.[14] If a political outsider gains control of H (which only occurs following intervention), then she is aligned with Foreign with probability p, regardless of how this actor came to power.[15]

Intervention entails costs for Foreign, resulting from opportunity costs, the potential loss of life, or potential electoral consequences political actors in F might face from intervening. We model this cost through the function $k(x)$, which is strictly increasing, reflecting that higher levels of domestic security within H imply that removing R through intervention is more difficult. Moreover, L's choice of domestic security can affect the economic prosperity of H, reducing R's ability to affect F. That is, high levels of x diminish the potential damage that a misaligned ruler in H can impose on F. We model this substantive feature via the smooth, strictly decreasing, function $d(x) > 0$, and we normalize Foreign's payoff when an aligned actor rules H to 0.[16] To keep our analysis

[12]This has no effect on our results, but streamlines the presentation.

[13]We include the case of an aligned Leader in the Supplemental Appendix.

[14]Note that Opposition's type τ is independent of her alignment.

[15]For a model where a third-party is uncertain about the ideology of the different factions composing the country see Di Lonardo and Tyson (2018).

[16]In our model Leader has no direct incentive to invest in domestic security absent potential leadership challenges. Thus, our results arise because of political insecurity and not because of a direct preference for security measures. Naturally, if a leader also enjoyed using repressive measures for their own sake,

simple, we assume that $\lim_{x\to 0}\frac{k(x)}{d(x)}=0$, and $\lim_{x\to X}\frac{k(x)}{d(x)}=+\infty$.

Leader's payoff is given by,

$$U_L(x,s,w)=\underbrace{(1-w)\Big(s\cdot(1-\rho(\tau,x))+(1-s)\Big)}_{\text{survival}}B(x),$$

and Opposition's payoff function is

$$U_Z(x,s,w;\tau)=s\underbrace{\Big(\rho(\tau,x)(1-w)B(x)+(1-\rho(\tau,x))wqB(x)-c\Big)}_{\text{challenge}}+(1-s)\underbrace{w(qB(x))}_{\text{support}}.$$

F's payoff depends on which actor is the ruler and on the alignment of Z. When Leader is the ruler, then if Opposition is misaligned, F's payoff is

$$U_F(x,s,w;M;L)=w\underbrace{\Big(-qd(x)-(1-q)(1-p)d(x)-k(x)\Big)}_{\text{intervention}}-(1-w)\underbrace{d(x)}_{\text{non-intervention}},$$

whereas when Opposition is aligned, F's payoff is

$$U_F(x,s,w;A;L)=w\underbrace{\Big(-(1-q)(1-p)d(x)-k(x)\Big)}_{\text{intervention}}-(1-w)\underbrace{d(x)}_{\text{non-intervention}}.$$

Instead, when a misaligned Opposition is the ruler, F's payoff is

$$U_F(x,s,w;Z)=w\underbrace{\Big(-(1-p)d(x)-k(x)\Big)}_{\text{intervention}}-(1-w)\underbrace{d(x)}_{\text{non-intervention}}.$$

A Perfect Bayesian Equilibrium in our model is (1) a domestic security strategy for L given Opposition's alignment; (2) a challenge strategy for Z, which depends on Z's alignment, L's domestic security choice, x, and Z's type, τ; (3) an intervention strategy for F, which depends on Z's alignment, the level of domestic security x, and the alignment of the ruler of H. To keep our analysis simple we assume that, when indifferent, Foreign

this would lead to repression through a channel distinct from the strategic channel we identify.

does not intervene.

Comments on the Model

Before proceeding to our benchmark analysis, we first discuss the interpretation of some key aspects of our model. Our substantive focus is on the influence of the *threat* of foreign intervention, and not Foreign's *direct* manipulation of domestic political conflicts. Consequently, in our model, Foreign moves after Leader and Opposition, which allows us to concentrate attention on how the potential of foreign intervention creates upstream incentives for domestic actors.

External threats to the regime. Misalignment between members of H and F could arise for a variety of reasons related to geopolitical, religious, or ethnic concerns.[17] Given that we are not interested in what motivates alignment or misalignment with F, but on its *consequences* for F's willingness to intervene, we remain agnostic about the exact nature of policy disagreements between actors in H and F.

Additionally, F need not be a separate country, but can also represent an actor who is not politically embedded in the regime of Home, such as a peripheral insurgency or an international terrorist organization with sufficient capacity to affect the domestic politics of H. For example, the Frente Farabundo Martí para la Liberación Nacional (FMLN) was an armed opposition group in El Salvador and held territory along the border with Honduras, far from San Salvador. As such, FMLN was a peripheral insurgent actor operating separately from, but clearly affecting, the domestic political competition between the military (L in our model) and landed elites (Z in our model).

Domestic security and economic development. An important feature of our model is that higher investments into domestic security generate a tradeoff for an autocrat. Specifically, although increased domestic security increases Leader's ability to maintain power, the measures that are adopted also reduce the benefit of keeping power.

[17] Our model is consistent with one where the misalignment between actors arises from a spatial representation of policy preferences (e.g., Eguia 2017).

Repressive tactics such as establishing parallel security forces to counterbalance the military directly impede opposition challenges, but they are economically costly for Leader and can reduce the rents he is able to enjoy when in power (Leon 2013). Similarly, removing rivals from state institutions may reduce an autocrat's risk of forcible removal, but, conditional on surviving a challenge, it entails sacrificing the expertise and connections those individuals may have brought to the leader's benefit (Rose-Ackerman 2013). For example, Ugandan president Idi Amin purged members of the Lango and Acholi people from government, believing they supported former president Obote. This caused "immense gaps in the army's hierarchy and rank and file," which Amin had "constant difficult[y] controlling," (Decalo 1976, 165-166). This type of elite discrimination often has broader social costs, particularly in cases where exclusion is based on ethnic lines (Roessler 2016). The suppression of opposition factions, parties, or militias reduces productive capacity, and hence, economic prosperity (Grier and Tullock 1989).

Though the relationship between repressive measures and other domestic factors, such as economic activity and state capacity, is complex and difficult to disentangle, there is abundant evidence of a robust negative relationship between measures of repression and the health and prosperity of a country's economy, as well as state capacity more broadly (Besley and Persson 2011; Kormendi and Meguire 1985). This negative relationship could be the direct result of coup-proofing, whereby a leader intentionally constrains the effectiveness of state actors and institutions (Quinlivan 1999; Casper and Tyson 2014), restrictions on media freedom (Gehlbach and Sonin 2014), or inhibiting collective action among members of society (Gehlbach 2006; Gehlbach and Keefer 2012).

Lowered economic development unavoidably restricts H's capacity to affect the interests of F, possibly by reducing the amount of resources that the ruler of H can devote to militarization efforts or the competence of state officials who oversee the implementation of policies affecting F. Because an increase in a country's level of repression depresses state capacity, the actual level of repression carried out by an autocratic regime is an important concern for foreign actors who might contemplate intervention. Taken together,

these considerations suggest that autocrats face a tradeoff when deciding how to invest in domestic security, and suggest that actors outside of the regime are more concerned with leaders who control more resources, have better functioning state institutions, and whose policy goals conflict with their interests.

Foreign intervention. We focus on a scenario where Foreign is able to unseat H's ruler with certainty, i.e. leadership change is something F can achieve perfectly. At the same time, F is unable to control the outcome of domestic rulership struggles that follow foreign intervention. The ability to force regime change, along with the inability to control the political process following an intervention, has become apparent after U.S.-led coalition experiences in Libya, Iraq, and Afghanistan. However, our results do not depend on the assumption that F achieves leadership change with certainty, and extending the model to allow for the possibility that F could fail to remove H's ruler is straightforward but notationally cumbersome, and we address it in a supplementary appendix. Consequently, to keep our analysis parsimonious, we maintain this simplifying assumption and note that the outcome where F intervenes and fails to remove a misaligned ruler is essentially the same as an intervention that replaces the ruler with a new actor who is misaligned (an event that occurs with probability $(1-q)(1-p)$ when Leader is the ruler, or with probability $(1-p)$ when Opposition is the ruler).

Post transition. The stakes of staying in power are determined not only by the rents the ruler can extract while in office, but also by what the ruler anticipates can happen to him or her once being ousted. There is a great deal of variation in terms of transitional justice practices, normative and strategic, following the fall of authoritarian regimes (Kaminski, Nalepa and O'neill 2006; Nalepa 2010*b*,*a*), and even though we recognize the importance of this issue, we abstract from these aspects in our theoretical framework and normalize the payoff of losing power to 0, both for Leader and Opposition. It is straightforward to extend the model to include differences in how L and Z value the failure to hold office, but doing so does not yield additional insights.

Multiple Foreign Actors. We have restricted attention to cases where there is

only one foreign actor with an interest in the domestic politics of county H. The primary reason for this choice is that another foreign actor would raise potential issues related to coalitional politics, thus preventing us from understanding clearly the mechanism linking the presence of foreign threats to autocratic survival. Moreover, introducing another foreign actor in the model would not add many interesting insights to the results we currently highlight. If the additional foreign actor had the same incentives as the first (i.e. its alignment or misalignment vis a vis the factions composing country H is the same), then the logic of our results will be the same. If instead, another foreign actor has opposite incentives (i.e. the alignment or misalignment vis a vis the factions composing country H is different across foreign actors), then the model would resemble one of proxy wars and deterrence, and the primary forces would reduce to well-studied issues in international politics. This last scenario can be captured in our model by increasing the cost of intervention for any level of investment in internal security (i.e. with a pointwise increase in $k(x)$).

The Domestic Dilemma of Autocrats

We want to assess the impact of foreign threats on the domestic politics within autocracies, specifically, on the incidence of domestic political threats and the level of domestic security pursued by an autocrat. To isolate this effect, we first need to consider a benchmark where Foreign is explicitly absent, focusing solely on the domestic politics of H.

Although assuming the absence of any foreign threat may seem somewhat artificial, we need these results because they essentially constitute our "control" group, for comparison with corresponding results after a foreign threat is introduced. That is, this stylized baseline enables us to make all-else-equal claims when we compare the benchmark presented here to behavior of Leader and Opposition under the shadow of a foreign threat, which we present in subsequent sections.[18]

[18]The use of formal models to address all-else-equal claims is articulated in Paine and Tyson (2019).

In this benchmark version of our more general setup, the domestic challenge stage is the last stage of the game. Proceeding backward, we consider Opposition's decision to challenge, at a fixed level of domestic security equal to x. Without the possibility of intervention by Foreign, Opposition's payoff simplifies to

$$U_Z(x, s, w; \tau) \mid_{w=0} = s\Big(\rho(\tau, x)B(x) - c\Big).$$

Since support of Leader yields Opposition a payoff normalized to 0, Opposition challenges Leader for control of Home if and only if,

$$\rho(\tau, x)B(x) - c \geq 0. \tag{1}$$

By inspection, if Opposition's type is sufficiently low ($\tau \to 0$), challenging L is not worthwhile since she is not likely enough to succeed in a power struggle, and hence, (1) cannot hold. In contrast, when Opposition's type is sufficiently high ($\tau \to +\infty$), (1) is strictly satisfied because the probability of success outweighs the cost of challenging, and Z finds challenging worthwhile. This argument leads to the following:

Lemma 1 *There exists a type, $\tau_0^*(x)$, which is a smooth function of x, such that Opposition challenges Leader if and only if $\tau \geq \tau_0^*(x)$, and supports otherwise. Moreover, Opposition challenges become more likely, i.e. $\tau_0^*(x)$ decreases, as the level of domestic security, x, decreases; as the cost of challenging, c, decreases; and as the benefits of power, $B(x)$, increase (pointwise).*

Our benchmark generates a few intuitive implications about when more types of regime opponents are willing to attempt to take power. As challenging Leader for control of H becomes costlier, i.e. as c increases, or as Leader steps up his repressive effort, i.e. as x increases, fewer types of Opposition are willing to challenge. Instead, an increase in the benefits of holding power (at a fixed level of domestic security), i.e. a pointwise increase in $B(\cdot)$, increases the set of Opposition types who challenge. The unsurprising

nature of these results is reassuring. Since we are primarily interested in assessing the effect of foreign threats on the domestic politics of authoritarian regimes, a relatively straightforward representation of domestic politics is a desirable feature of our theory.

We will next focus on the relationship between domestic security, domestic challenges, and the survival of autocratic leaders. When Leader considers how much to invest in increasing domestic security, he balances the benefit of holding power, $B(x)$, with the probability of keeping power, denoted in our benchmark by $\lambda_0(x)$, both of which depend on the level of domestic security, x.

Remark 1 *In the absence of a foreign threat, the probability Leader retains power, as a function of the level of domestic security, x, is given by*

$$\lambda_0(x) = \Psi\Big(\tau_0^*(x)\Big) + \int_{\tau_0^*(x)}^{\infty} (1 - \rho(\tau, x))\psi(\tau)d\tau, \tag{2}$$

which is strictly increasing and differentiable in the level of domestic security x.

Remark 1 shows that, absent foreign threats to the regime, higher levels of domestic security have a positive effect on an autocrat's likelihood of retaining power. The first term is the probability that Leader deters a challenge, while the second term is the probability that Leader defeats an Opposition that has chosen to challenge. To assess how domestic security influences the probability Leader retains power, notice that an increase in domestic security decreases the set of Opposition types who challenge Leader. This implies that by choosing a higher level of x, Leader can prevent some challenges from emerging.

Increased levels of domestic security also affect L's interaction with an Opposition (of type $\tau \geq \tau_0^*(x)$) who still prefers to challenge Leader. Although increased domestic security implies that fewer Opposition types challenge, it also implies that the set of Opposition types who challenge are stronger on average, since increased domestic security deters only the weaker types from challenging. This selection effect is outweighed by the

deterrence effect described above. Moreover, an increase in the level of domestic security makes Leader better able at withstanding a challenge from any type of Opposition. Taken together, these effects imply that investing in domestic security improves Leader's durability to threats.

Having considered the tradeoffs faced by Leader and Opposition, we can now state the following result detailing Leader's choice of domestic security, and summarizing the equilibrium in the benchmark model.

Proposition 1 *There exists an equilibrium,* $(x_0^*, \tau_0^*(x))$*, where Opposition challenges Leader if and only if her type is sufficiently high,* $\tau \geq \tau_0^*(x)$*, and Leader's choice* x_0^* *solves*

$$\max_{x \in [0,X]} \lambda_0(x)B(x). \tag{3}$$

Moreover, the equilibrium probability that Leader retains power is strictly less that one, i.e. $0 < \lambda_0^*(x_0^*) < 1$*.*

Proposition 1, along with Lemma 1, fully characterizes the equilibrium of our benchmark model where Foreign is absent and cannot exert an influence on the domestic politics in Home. Because Leader's objective function is differentiable, his domestic security choice, if interior, solves

$$\frac{d\ln(\lambda_0(x_0^*))}{dx} = -\frac{d\ln(B(x_0^*))}{dx}. \tag{4}$$

The left-hand side of (4) is the percentage change in Leader's survival probability resulting from a unit increase in the level of domestic security, while the right-hand side of (4) is the percentage change in the Leader's benefit of holding power that follows from a unit change in the level of domestic security. This represents the key tradeoff that our benchmark model is meant to isolate: leaders must balance using domestic security to improve the likelihood of political survival with ensuring that holding power is desirable.[19]

[19]Note that changes in the benefit of holding power also decreases $\tau_0^*(x)$.

It is important to notice that because $\lambda_0(x)$ need not be strictly concave in x, there are potentially several possible solutions to Leader's choice problem, (3). For example, Leader may receive the same payoff from a case where the benefits of office are high and the probability of keeping power is low, as from a case where the benefit of office is low and the probability of retaining power is high. Each of these cases correspond to a different value of x_0^* that yields the same payoff for Leader. This feature is not problematic for our main analysis, but to keep our presentation simple, we restrict attention to the case where x_0^* is the unique solution to (3), and devote attention to when (3) has multiple solutions to a supplemental appendix.

The Shadow of Foreign Threats

We now consider when Leader not only has to guard against domestic political challenges, but must also fend off potential threats coming from outside of the regime. We are interested in comparing our main model with the benchmark from the previous section, because this exercise isolates the all-else-equal effect of foreign threats on the domestic politics of Home. To ensure an apples-to-apples comparison, we leave all details of the model unchanged and introduce F as an actor who chooses whether to intervene and overthrow the ruler after observing the outcome of domestic political struggles within H. A desirable feature of conducting this comparison is that it holds fixed all other substantively important factors that might affect the domestic politics of country H, *including factors that are not explicitly incorporated into our theoretical model.*

Foreign is the last actor to make a choice, and so we begin our analysis from F's decision of whether to intervene. Foreign is concerned with the outcome of a conflict within Home, because whoever ultimately holds power in H can affect F's interests. Consequently, F may wish to facilitate a power transition in H if it anticipates that a new ruler might be better aligned with its interests. However, recall that even though Foreign can trigger a leadership change in Home, F is not able to control the succession

process. Consequently, foreign intervention creates political instability that could backfire by opening the door for another misaligned actor to gain power.

Foreign's decision depends on the alignment of the ruler in H, and on F's expectation about the possible future ruler's alignment, if F were to intervene, which depends on the probability an outsider gains power, $1-q$, and the probability that a political outsider is aligned, p.

Lemma 2 *Let $j \in \{A, M\}$ be Z's alignment and $R \in \{L, Z\}$ be the ruler. There is a unique cutoff, $\overline{x}(j; R)$, such that F intervenes if and only if $x < \overline{x}(j; R)$. Moreover,*

$$0 = \overline{x}(A; Z) < \overline{x}(M; L) < \overline{x}(M; Z) < \overline{x}(A; L).$$

The level of domestic security that was chosen by Leader affects the strategic calculus of Foreign through two channels: (1) the cost of intervention, captured by $k(x)$; and (2) H's ability to affect the interests of F, i.e. through factors related to economic development, which are captured by $d(x)$. Specifically, increased domestic security raises the cost of foreign intervention, but it also hinders economic development, thereby reducing the ability of misaligned rulers to affect F's interests.[20] Both of these channels reinforce each other, and F's willingness to intervene is reduced at higher levels of domestic security.

To illustrate the intuition behind the dual effects of domestic security on foreign intervention, consider in detail the case where Leader has retained power and Opposition is aligned. In this case, F intervenes if and only if

$$\underbrace{-(1-q)(1-p)d(x) - k(x)}_{\text{intervene}} \geq \underbrace{-d(x)}_{\text{not intervene}} \tag{5}$$

If F does not intervene, Leader remains in power, which imposes costs equal to $d(x)$ on F. Instead, if F intervenes, then with probability $q+(1-q)p$, an aligned actor seizes power following F's intervention. Specifically, either Opposition gains power, which occurs

[20]Note that Foreign does not derive a direct benefit or cost from the level of domestic security in H.

with probability q, or a political outsider gains power who is aligned, which happens with probability $(1-q)p$. In both cases, F's payoff is 0. Otherwise, with probability $(1-q)(1-p)$, intervention creates an opportunity for a misaligned political outsider to gain power, which imposes costs of $d(x)$ on F, in addition to the cost of intervention, $k(x)$.

The cutoff $\overline{x}(j;R)$ represents the level of domestic security that is necessary to prevent an intervention from Foreign, and it varies according to the alignment of Opposition, as well as whether L or Z is the ruler of H. When an aligned Opposition has unseated Leader, F has no reason to intervene, and so $\overline{x}(A;Z) = 0$. By contrast, Foreign is most willing to intervene when Leader has retained power and Opposition is aligned, represented by the highest cutoff $\overline{x}(A;L)$, since in this case the probability that intervention will ultimately lead to an aligned actor in power is at its highest. When Opposition is misaligned, Foreign's willingness to intervene depends on who holds power, L or Z. The successful overthrow of L by Opposition alters the political environment within H, since, following L's removal, intervention can only bring political outsiders to power. Any political outsider is more likely to be aligned with Foreign's interests than the certainly misaligned Z. As a result, $\overline{x}(M;Z) > \overline{x}(M;L)$, meaning that F is more willing to intervene when Opposition has taken power than when Leader has retained power.

Foreign Threats and Domestic Challenges

Having pinned down the determinants of F's intervention decision, we continue backward and consider Opposition, whose benefit of trying to take power from L depends on whether she is aligned or misaligned, along with her type and the level of domestic security chosen by L. Because Foreign's intervention decision depends on Z's alignment with F, Z anticipates that, if she is aligned, F prefers her as the ruler of H and may be willing to intervene to bring Z to power. But if Opposition is misaligned, then challenging may lead to being removed by F, and consequently, Leader can sometimes leverage the alignment or misalignment of Opposition to deter intervention from Foreign. More surprisingly, L

may even use the threat of foreign intervention to suppress domestic political threats. Leader's ability to use F as a political tool depends on how foreign threats affect the nature of domestic political challenges within H, which is the focus of our next result.

Proposition 2 *For all x and all θ, there exists a type, $\tau_j^*(x;\theta)$, with $j \in \{A, M\}$, such that Opposition challenges Leader if and only if $\tau \geq \tau_j^*(x;\theta)$ and supports otherwise. Moreover, when Opposition is aligned,*

(i) if $x \geq \overline{x}(A;L)$, then F has no influence on Opposition challenges, i.e. $\tau_A^*(x;\theta) = \tau_0^*(x;\theta)$;

(ii) if $x < \overline{x}(A;L)$, then

(a) if $c \geq (1-q)B(x)$, no type of Z challenges (i.e. $\tau_A^*(x;\theta) = \infty$);

(b) if $c < (1-q)B(x)$, F's presence decreases challenges from Z, and

$$\tau_A^*(x;\theta) > \tau_0^*(x;\theta);$$

when Opposition is misaligned,

(i) if $x \geq \overline{x}(M;Z)$, then F has no influence on Opposition challenges, i.e. $\tau_M^*(x;\theta) = \tau_0^*(x;\theta)$;

(ii) if $x < \overline{x}(M;Z)$, then no type of Z challenges (i.e. $\tau_M^*(x;\theta) = \infty$)

As implied by Lemma 2, high levels of domestic security in H imply that intervention is very costly for F, and misaligned rulers are less able to affect the interests of Foreign. Both forces lead F not to intervene, regardless of whether the Opposition is aligned or misaligned. Thus, when domestic security is sufficiently high, the nature of domestic challenges remains unaffected by foreign threats: $\tau_j^*(x) = \tau_0^*(x)$. From an empirical perspective, this means that for countries with high levels of domestic security, the frequency and nature of Opposition challenges are observationally equivalent to cases like the benchmark, where F was explicitly absent.

When instead levels of domestic security are relatively low, a foreign threat alters the nature of domestic political challenges within country H, and it does so in a way that depends on whether Opposition is aligned or misaligned with F. If Z is aligned with F, then the presence of a foreign threat *reduces* the set of Opposition types that challenge L, provided that the cost of challenging L is not too high to discourage any attempt to challenge altogether. This is essentially a *delegation effect* similar to free-ridership, where Z, anticipating that F will intervene, prefers to avoid the cost of challenging, instead coming to power (stochastically) after foreign intervention. When Z is misaligned with F, taking power from L is followed immediately by foreign intervention, thus removing any benefit Z would enjoy from taking power. Consequently, Opposition is unwilling to challenge L, and the presence of a foreign threat generates a complete *deterrent effect* on domestic political challenges.

Having analyzed the influence of a foreign threat on the kinds of challenges Leader faces from Opposition, we turn attention to Leader, and how the strategic forces we have identified affect L's endogenous probability retaining power.

Remark 2 *Leader's probability of keeping power, as a function of Opposition's alignment, $j \in \{A, M\}$ is given by*

$$\lambda_j(x) = \begin{cases} \mathbb{1}_{\{x > \overline{x}(A;L)\}} \cdot \lambda_0(x) & \text{if } j = A \\ \mathbb{1}_{\{x \in [\overline{x}(M;L), \overline{x}(M;Z))\}} + \mathbb{1}_{\{x > \overline{x}(M;Z)\}} \cdot \lambda_0(x) & \text{if } j = M. \end{cases}$$

Because F's incentive to intervene depends on the alignment of Z, the probability L retains power depends on the alignment of Z (fixing the level of domestic security). An immediate implication of Proposition 2 is that when the level of domestic security is sufficiently high, i.e. $x > \overline{x}(A; L)$ and $x > \overline{x}(M; Z)$, the probability L retains power is the same as in the benchmark. Differences arise when the level of domestic security is low, because L can lose power two different ways. First, Leader can be removed by Opposition, but if Z chooses not to challenge, or if Z's challenge fails, F may remove

L from power. Consequently, Leader is incapable of retaining power when the level of domestic security is too low, and this leads L to invest in higher levels of domestic security than he would pursue if there were no foreign threats.

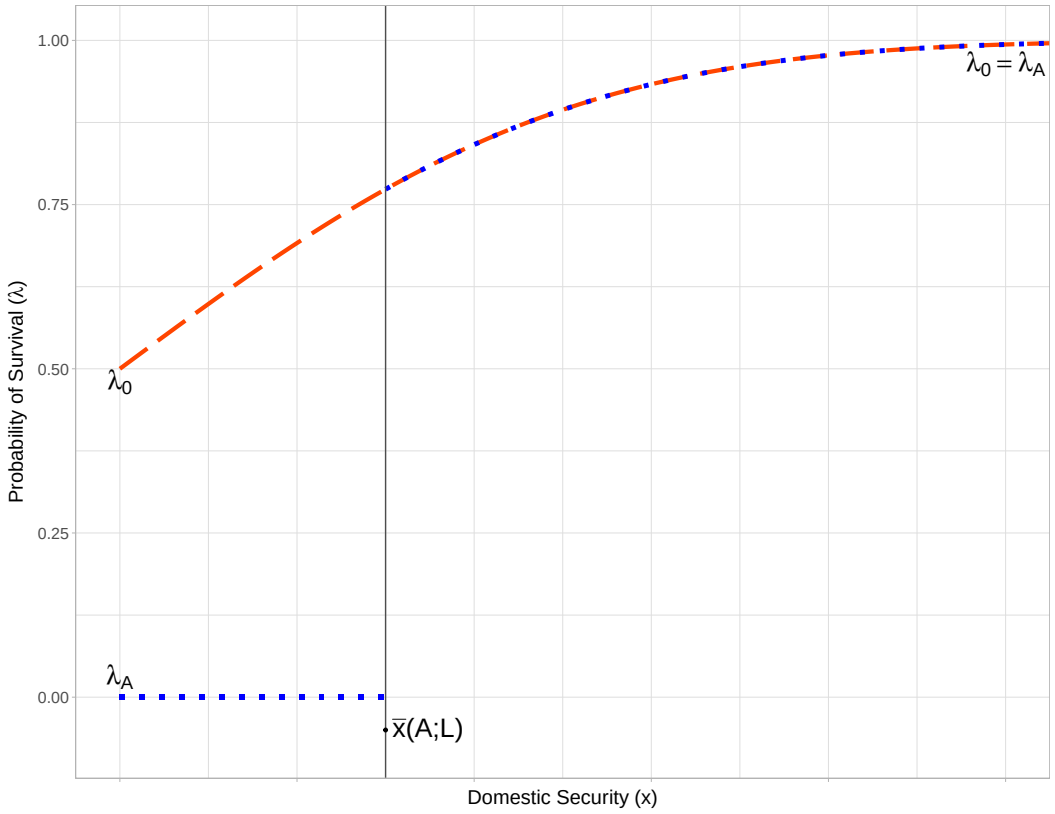


Figure 1: Probability Leader Retains Power

Figure 1 illustrates the role of a foreign threat in our model of autocratic politics for the case of an aligned Opposition. The increasing dashed line represents Leader's probability of retaining power in the benchmark, $\lambda_0(x)$, which increases continuously in the level of domestic security, x. By contrast, the dotted line represents Leaders' probability of retaining power under a foreign threat, which is zero for low values of domestic security ($x < \overline{x}(A; L)$), but jumps discontinuously at the cutoff of the strategy used by F, and then corresponds exactly to the probability from the benchmark, $\lambda_0(x)$.

Foreign Threats and Domestic Security

In this section, we address Leader's choice over the level of domestic security in the shadow of foreign threats. Investment in domestic security helps Leader achieve two complementary goals, namely deterring/surviving domestic challenges, and deterring foreign intervention. The extent to which deterrence of domestic and foreign threats is insufficient and investment in domestic security represents the only tool of survival for the Leader depends on the alignment between Opposition and Foreign.

Proposition 3 *For each $j \in \{A, M\}$, there is a unique Perfect Bayesian equilibrium where x_j^* solves Leader's problem:*

$$\max_{x \in [0,X]} \lambda_j(x)B(x); \tag{6}$$

Opposition challenges Leader if and only if $\tau \geq \tau_j^*(x)$; and Foreign intervenes if and only if R is misaligned and $x < \overline{x}(j; R)$. Moreover,

(i) when Opposition is aligned ($j = A$), Leader chooses $x_A^* = \max\{x_0^*, \overline{x}(A; L)\}$, and a foreign threat increases the level of domestic security: $x_A^* \geq x_0^*$;

(ii) when Opposition is misaligned ($j = M$), Leader chooses $x_M^* = \overline{x}(M; L)$, and a foreign threat decreases the level of domestic security: $x_M^* \leq x_0^*$, if and only if $\frac{k(x_0^*)}{d(x_0^*)} \geq p(1-q)$.

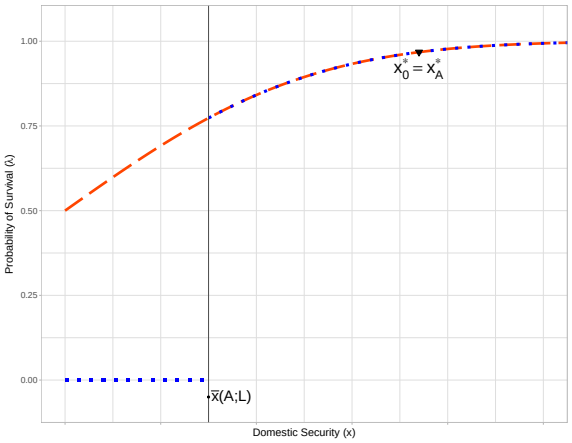
Proposition 3 shows how the alignment of Opposition impacts the level of domestic security pursued by an autocrat. As can be seen by the endogenous probability Leader retains power (Remark 2), the presence of a foreign threat effectively imposes a floor on the level of domestic security, x, Leader is compelled to choose. For example, in the case of an aligned Opposition, if Leader chooses a level of domestic security less than $\overline{x}(A; L)$, even if he were to survive a domestic challenge, he would nonetheless lose power at Foreign's hand. Therefore, since being the ruler is always preferred to losing power, Leader will not choose a level of domestic security below the threshold $\overline{x}(A; L)$.

Identifying the effect of foreign threats on the level of domestic security, both when Z is aligned and when she is misaligned, comes from comparing the equilibrium in Proposition 3, which depends on whether Z is aligned or misaligned, with the equilibrium from our benchmark model where F is absent (Proposition 1). Foreign's effect on the level of domestic security is illustrated in Figure 2. When Opposition is aligned, the level of domestic security is $x_A^* = \max\{x_0^*, \overline{x}(A; L)\}$, where x_0^* is the optimal amount of investment in domestic security when F is not present, and $\overline{x}(A; L)$ is the minimum level of investment in domestic security that deters F from intervening. If, as in Figure 2a, $x_0^* \geq \overline{x}(A; L)$, F has no effect on the level of domestic security pursued by L because he is already choosing a level high enough to prevent intervention. Instead, if $x_0^* < \overline{x}(A; L)$, Figure 2b illustrates how foreign threats exert an upward pressure on the level of domestic security, because Leader chooses a higher level of domestic security than he would if F were absent. Combining these cases shows that when Opposition is aligned with Foreign, the presence of a foreign threat leads to *larger investments into domestic security*, and consequently, to decreased economic development.

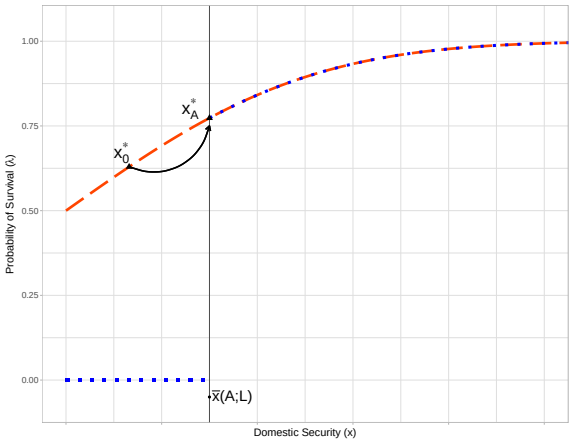
The second part of Proposition 3 shows how, when Z is misaligned, L can exploit foreign threats to reduce domestic challenges. Specifically, as illustrated in Figure 2c, L recognizes that choosing a level of domestic security lower than $\overline{x}(M; L)$ implies losing power for sure at the hand of F. On the contrary, choosing a level of domestic security in the range $[\overline{x}(M; L), \overline{x}(M; Z))$ allows L to keep power for sure. In this range, L's choice of domestic security is just high enough to discourage Foreign from intervening were Leader to retain control, but low enough that Foreign intervenes if Opposition becomes the ruler. Once Leader is gone at the hands of Opposition, the chances that an intervention might bring about a more aligned ruler in H increase, and thus, Foreign is more willing to intervene against a misaligned Opposition who has already overthrown Leader. Because of this, Opposition is completely deterred from challenging, allowing Leader to exploit Foreign's willingness to intervene against Opposition, and thus, ensure an uncontested grip on power. Because $B(\cdot)$ is strictly decreasing, L's optimal level of domestic security

is exactly $\overline{x}(M;L)$. Comparing this optimal choice with the one in the benchmark model reveals that, when Z is misaligned, the presence of F not only leads to assured survival for Leader, but this assured survival is achieved despite a *lower* investment in domestic security.

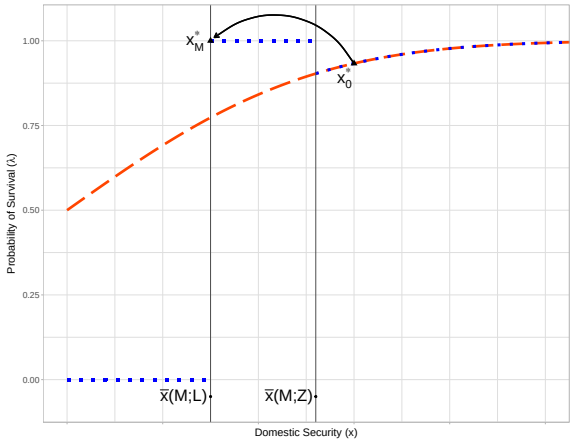
Figure 2: Effect of Foreign Threats on Optimal Levels of Domestic Security



(a) Domestic security at benchmark level.



(b) Domestic security increases.



(c) Domestic security decreases.

Before moving on, we briefly consider an example that starkly illustrates the tradeoffs from our model. To illustrate the relationship between domestic and foreign threats consider Pol Pot's tenure as leader of Democratic Kampuchea (Cambodia) from 1975-1979. In 1976, several suspected insurrections, including a coup attempt led by army deputy chief of staff Chan Chakrey, pushed Pol Pot to temporarily step down as prime minister, a measure designed to protect himself from domestic challenges (Kiernan 2002,

pg. 320-331). In light of these threats, the Khmer Rouge purged individuals accused of association with the plots, as well as those with suspect loyalties, including experienced government officials formerly of the Lon Nol government (Jackson 1989, pg. 197). During this same period, several violent skirmishes along the border with Vietnam created a growing foreign threat to Pol Pot's regime from the Vietnamese government (Jackson 1989, pg. 205). In the interest of hardening domestic security, Pol Pot implemented increasingly radical measures. The effort to suppress domestic challenges at the expense of state capacity is a prominent feature of the Cambodian crisis, as the regime permitted the economy to collapse as it worked to hasten the process of collectivization (Slocomb 2003). During this period, Pol Pot invested in high levels of domestic security which deterred all but the strongest domestic challenges, and arguably, staved off intervention from Vietnam. Further, misalignment with the Khmer Rouge was not sufficient for Vietnam to intervene, until the end of 1977 when factors exogenous to the domestic politics of the Khmer Rouge motivated intervention by Vietnam.

Foreign Threats and the Fate of Autocrats

Having characterized the equilibria of our game, we now examine the effect of foreign threats, and the alignment or misalignment of Opposition with Foreign, on the tenure and welfare of autocratic leaders. First, exploiting our benchmark, we consider how the presence of a foreign threat affects the probability the autocratic leader retains power. Second, we evaluate whether Leader is better off facing an Opposition that is misaligned rather than aligned with Foreign.

Foreign Threats and Autocratic Tenure

To isolate the effect of a foreign threat on autocratic tenure, we need to consider the comparison between the equilibrium probability Leader retains power for either aligned or misaligned Z, $\lambda_j(x_j^*)$ for $j \in \{A, M\}$, with the probability that L keeps power absent

a foreign threat, $\lambda_0(x_0^*)$.

Proposition 4 *Leader's probability of retaining power (weakly) increases with the presence of a foreign threat, i.e.*

$$\lambda_j(x_j^*) \geq \lambda_0(x_0^*)$$

for all $j \in \{A, M\}$.

First, consider the case when Z is aligned. The presence of a foreign threat pushes Leader to increase investment into domestic security to avoid intervention by F, in particular, at least up to $\overline{x}(A; L)$, thus increasing the probability L retains power. Second, in the case where Z is misaligned, L's hold on power is perfectly secure because L uses the threat of foreign intervention as a deterrent against domestic challenges from Opposition. Combining these cases together shows that regardless of Opposition's alignment with foreign actors, the presence of a foreign threat increases the likelihood that an autocrat keeps power. Surprisingly, our results suggest that the security of autocratic power increases as the threats an autocrat faces increase.[21]

Finally, notice that while foreign threats are good for an autocratic leader's tenure in office, the increased political stability induced by foreign threats does not necessarily translate into an increased utility for L (in equilibrium). Because higher domestic security was available to L without the introduction of a foreign threat, and he chose not to pursue it, his payoff following the introduction of F must be lower. This feature of the model highlights the core tradeoff of our model—increasing an autocrat's hold on power comes at the cost of reducing the benefits of maintaining power.

As another example of the underlying logic of our model, consider the relations between the People's Republic of China (China) and the Republic of China (Taiwan) following Lee Teng-hui's accession to the Taiwanese presidency in 1988. Lee faced opposition from a competing faction within his own party, the Kuomintang (KMT), led by the mil-

[21] We show that the presence of a foreign threat increases the probability that an autocrat holds power in two different cases, and not that the probability an autocrat keeps power increases when averaging over aligned and misaligned oppositions, although our result would hold on average as well.

itary's Chief of the General Staff, Hau Pei-tsun. Lee's presidency also faced external threats from Beijing, who's leadership did not trust Lee and made efforts to communicate both to Taiwan and the international community that it considered reunification of mainland China and Taipei by force a viable strategy if Taiwan took steps to declare independence (Wang 2002).[22] Further, China did not find the opposition faction any more appealing than Lee, as many of its members were considered "mainlanders," born in China and pro-independence due to their personal experiences in the Chinese civil war (Hu and Lin 2002). During his tenure in office, Lee's government largely civilianized the police and intelligence services and implemented democratic reforms of the military (Croissant and Kuehn 2009), and Hau ultimately decided not to directly challenge the new government (Tsai 2005, pg. 163). Our results suggest that Lee was able to achieve these reforms specifically because, by reducing the power of the military faction, Taiwan became less threatening to China. At the same time, the continued presence of the external threat posed by Beijing deterred domestic challenges from the military despite Lee's policies that reduced its power.

Benefits of Misaligned Opposition

We have exploited, in a number of ways, comparisons with our benchmark to identify the all-else-equal influence of foreign threats on autocratic politics, both in cases where the autocrat's opposition is aligned with foreign interests, as well as misaligned. To complete our analysis, we contrast the cases of the alignment or misalignment of Opposition.

Proposition 5 *The level of domestic security is higher when Opposition is aligned rather than misaligned: $x_A^* > x_M^*$. Moreover, the probability Leader retains power is higher, and Leader is better off, when Opposition is misaligned rather than aligned.*

The first part of this result establishes that autocrats invest more into domestic security when their opposition is aligned with foreign interests, as opposed to when the

[22]During Lee's presidency, Taiwan was not covered by a mutual defense agreement with the United States (terminated in 1980) and US backing of Taiwan was uncertain (Wang 2002).

opposition has little support internationally. The optimal level of domestic security when Opposition is misaligned, x_M^*, is equal to $\overline{x}(M; L)$, the threshold for foreign intervention. When Opposition is aligned the level of domestic security, x_A^*, is at least $\overline{x}(A; L)$, and from Lemma 2, we know that $\overline{x}(A; L) > \overline{x}(M; L)$, since Foreign is more willing to intervene when Opposition is aligned. Consequently, Leader chooses lower levels of domestic security when Opposition is misaligned because he can exploit Foreign, who effectively deters challenges from Z. When Z is misaligned, L is ultimately protected by the (seemingly latent) threat of foreign intervention, and thus need not rely on the domestic security apparatus to maintain power. In this case, introducing a foreign threat both increases the likelihood an autocrat stays in power, and makes retaining power more beneficial, because investments into domestic security are less necessary. Instead, when Z is aligned, L is motivated to increase investments into domestic security to avoid foreign intervention, which deters some domestic challenges and makes L harder to defeat when challenged.

For the last part, recall that the benefit of holding power is decreasing in the level of domestic security, x. Hence, when Z is misaligned, because the downstream threat of foreign intervention deters domestic challenges, Leader manages to retain power without being forced to rely on direct investments into domestic security. As a result, Leader is strictly better off when opposition actors are misaligned with foreign actors (as opposed to aligned), and may even be willing to cultivate such attitudes among opposition actors.

Proposition 5 suggests that autocrats should repress opposition groups whose interests align with powerful foreign actors and empower more extremist opposition groups whose interests do not align with actors outside of the national elite. It is important to emphasize that this results purely from the strategic influence of foreign threats, and is unrelated to the political ambitions of opposition groups, because in our model, both kinds of Opposition are (equally) eager to take power. An opposition group whose interests do not align with foreign interests effectively represents an insurance policy against foreign intervention, while at the same time, the threat of foreign intervention deters domestic challenges from such groups.

Returning to our opening example, our results suggest that the Assad regime actively supported the rise of ISIS as part of a strategy that involved the strategic manipulation of international interests. By empowering ISIS, Assad ensured that the alternative to his rule was the ascension to power of actors whose interests oppose those of the international community. In the end, this strategy seems to have largely been effective, and ensured Assad's continued hold on power, outlasting several domestic challengers.

Conclusion

We present a series of results derived from a theoretical model designed to isolate the impact of the presence of foreign threats on the domestic politics within an autocracy. By changing who ultimately challenges an autocrat for power, foreign threats create upstream incentives that bolster autocratic power via a mechanism that depends on a domestic opposition's alignment or misalignment with foreign actors. When a foreign actor and an opposition group have aligned interests, the presence of a foreign threat improves an autocrat's survival by motivating increased investments into domestic security, thus reinforcing an autocrat's hold on power. When the foreign actor and the opposition have misaligned interests, the leader can exploit the presence of foreign threats to deter challenges from within the regime—a strategic benefit of misaligned, politically extreme, opposition groups. Taken together, our main results show that foreign threats strengthen an autocrat's hold on power, even when foreign actors would prefer to unseat the autocrat.

Our results have important implications, both from the perspective of foreign policy as well as for empirical studies in international relations and authoritarian politics. From the perspective of foreign policy, our results highlight how an aggressive foreign policy towards misaligned authoritarian regimes might be self-defeating. While the debate about the perils of direct military intervention is rich and lively in light of recent failures in Libya, Iraq, and Afghanistan, we point out that just the *threat* of a foreign intervention can improve the survival prospects of autocratic leaders, and additionally, lead to an

increase in repression towards domestic factions friendly to foreign interests. From an empirical point of view, our theory focuses on the endogenous link between a country's level of domestic security, the set of challenges from domestic opposition groups, and the decision by foreign actors to intervene in a country's politics. By showing that the mere *threat* of foreign intervention can alter the nature of domestic political challenges, and consequently, the tenure of autocratic rule, our results suggest that empirical studies focusing only on a single part of this relationship may suffer from severe challenges to inference. Specifically, studies looking to uncover how domestic factors might influence domestic security, such as a country's level of repression, that do not account for latent foreign threats are missing an important and influential factor. This, at least partially, explains why the repression literature has been plagued with inconsistent empirical results (e.g., Hill and Jones 2014). Moreover, our results also suggest that studies looking to understand how different domestic factors might affect the nature and severity of international threats need to also consider potential domestic political challenges, and the potential ideological alignment between a domestic opposition and a foreign country. In light of these empirical challenges, our theory elucidates and disentangles the strategic relationships underlying authoritarian governance, which may suggest new empirical approaches and identification strategies.

Appendix

Proof of Lemma 1: For Opposition, the payoff of supporting Leader is normalized to zero, whereas the expected utility to taking power, as a function of her type, is given by $\rho(x,\tau)B(x) - c$. Thus, Opposition finds challenging optimal if and only if

$$\rho(x,\tau)B(x) - c > 0.$$

The left-hand side is strictly negative as $\tau \to 0$ and strictly positive as $\tau \to \infty$. Since the left-hand side is continuous and strictly increasing in τ for every x, by the Intermediate Value Theorem, a unique $\tau_0^*(x)$ exists and is the solution to

$$\rho(x,\tau)B(x) = c. \tag{7}$$

Consider a pair (x,τ), that solves (7). Now consider a change in x to $x' > x$. Since the left-hand side of (7) is strictly decreasing in x, it must be that

$$\rho(x',\tau)B(x') - c < 0 = \rho(x',\tau')B(x') - c, \tag{8}$$

and since the left-hand side is strictly increasing in τ, then $\tau' > \tau$. Consider next a change in c to $c' > c$. Since

$$\rho(x,\tau)B(x) - c' < 0 = \rho(x,\tau')B(x) - c', \tag{9}$$

and since the left-hand side is strictly increasing in τ, then $\tau' > \tau$. Last, consider an upward pointwise shift of the benefit function from $B(\cdot)$ to $\hat{B}(\cdot)$, which means for every x, $\hat{B}(x) > B(x)$. This implies that

$$\rho(x,\tau)\hat{B}(x) - c > \rho(x,\tau)B(x) - c = 0,$$

and since the left-hand side of (7) is strictly increasing in τ, to establish equality, $\tau' < \tau$.

■

Proof of Remark 1: Direct computation yields the probability that Leader keeps power:

$$\lambda_0(x) = \Psi(\tau_0^*(x)) + \Big(1 - \Psi\Big(\tau_0^*(x)\Big)\Big) \int_{\tau_0^*(x)}^{\infty} (1 - \rho(x,\tau)) \cdot \frac{\psi(\tau)}{1 - \Psi\Big(\tau_0^*(x)\Big)} d\tau,$$

and can be simplified to obtain the expression in the text. Differentiability follows because it is the composition of differentiable functions. That $\lambda_0(x)$ is strictly increasing in x follows by Liebniz's rule and simplifying,

$$\frac{d\lambda_0(x)}{dx} = -\int_{\tau_0^*(x)}^{\infty} \frac{\partial \rho(x,\tau)}{\partial x} \psi(\tau) d\tau + \rho(x, \tau_0^*(x)) \psi(\tau_0^*(x)) \frac{d\tau_0^*(x)}{dx} > 0.$$

■

Proof of Proposition 1: The Leader's problem in the first stage is given by

$$\max_{x \in [0,X]} \lambda_0(x) B(x). \tag{10}$$

Since $[0, X]$ is a closed and bounded interval in $\mathbb{R}$, it is compact, and since $\lambda_0(x)B(x)$ is continuous in x, the Extreme Value Theorem ensures that a solution exists. Moreover, the construction of $\lambda_0(x)$ ensures sequential rationality, and hence, any solution to Problem (10), along with $\tau_0^*(x)$, constitutes an equilibrium.

Because the objective function is differentiable, an interior solution to (10) is characterized by the first-order condition:

$$\frac{\partial \lambda_0(x)}{\partial x} B(x) + \lambda_0(x) B'(x) = 0,$$

Rearranging, this expression can be written as

$$\frac{d\ln(\lambda_0(x_0^*))}{dx} = -\frac{d\ln(B(x_0^*))}{dx}, \tag{11}$$

giving the expression in the text.

For the last part, the equilibrium probability that Leader retains power in the benchmark is

$$\lambda_0^* = \lambda_0(x_0^*) = \Psi(\tau_0^*(x_0^*)) + \int_{\tau_0^*(x_0^*)}^{\infty} \Big(1 - \rho(x_0^*, \tau_0^*(x_0^*))\Big) \cdot \psi(\tau) d\tau.$$

By inspection, $0 < \lambda_0^* < 1$. ■

Proof of Lemma 2: We begin with the following intermediate result:

Lemma A.1 *Let $\eta \in [0,1]$, then for every η, there exists a unique $\overline{x}$ such that*

$$\eta = \frac{k(\overline{x})}{d(\overline{x})}. \tag{12}$$

Moreover, $\overline{x}_\eta$ is strictly increasing in η,.

Proof: The left-hand side of (12) is constant in x, while the right-hand side of (12) is increasing in x. Since $\lim_{x\to 0} \frac{k(x)}{d(x)} = 0$, and $\lim_{x\to X} \frac{k(x)}{d(x)} = +\infty$, the Intermediate Value Theorem establishes existence and uniqueness of $\overline{x}_\eta$. The last part follows by observing that for any $\eta' > \eta$

$$\eta = \frac{k(\overline{x})}{d(\overline{x})} < \eta',$$

and to restore equality, $\overline{x}$ must increase. ■

From Lemma A.1, there are four cases to consider:

(i) Opposition is in power and aligned. In this case, Foreign has no incentive to intervene since a ruler change would only entail costs. Therefore, since when indifferent Foreign does not intervene, we write $\overline{x}(A; Z) = 0$.

(ii) Opposition is in power and misaligned. In this case, F is indifferent between intervening and not if and only if

$$-(1-p)d(x) - k(x) = -d(x). \tag{13}$$

which rearranges to

$$p = \frac{k(x)}{d(x)}. \tag{14}$$

Apply Lemma A.1 where $\eta = p$.

(iii) Leader is in power and Opposition is aligned. In this case, F is indifferent between intervening and not if and only if

$$-(1-q)(1-p)d(x) - k(x) = -d(x). \tag{15}$$

We can rearrange (15) to obtain

$$q + p(1-q) = \frac{k(x)}{d(x)}. \tag{16}$$

Apply Lemma A.1 where $\eta = q + p(1-q)$.

(iv) Leader is in power and Opposition is misaligned. In this case, F is indifferent between intervening and not if and only if

$$-qd(x) - (1-q)(1-p)d(x) - k(x) = -d(x). \tag{17}$$

We can rearrange (17) to obtain

$$p(1-q) = \frac{k(x)}{d(x)}. \tag{18}$$

Apply Lemma A.1 where $\eta = p(1-q)$.

For the last part, notice that $q + p(1-q) > p > p(1-q)$. Applying Lemma A.1, we have that $\overline{x}(M;L) < \overline{x}(M;Z) < \overline{x}(A;L)$. ■

Proof of Proposition 2: We consider the case of an aligned Opposition and a misaligned Opposition separately. If the aligned Opposition challenges, her expected payoff is

$$\rho(\tau, x)B(x) + \mathbb{1}_{\{x<\overline{x}(A;L)\}}((1-\rho(\tau,x))qB(x)) - c,$$

while if she supports, she receives

$$\mathbb{1}_{\{x<\overline{x}(A;L)\}}qB(x).$$

Putting these together, the aligned opposition is indifferent between challenging and supporting if and only if her type, τ, satisfies,

$$\rho(\tau, x)[1 - \mathbb{1}_{\{x<\overline{x}(A;L)\}}q]B(x) = c. \tag{19}$$

To establish the existence of $\tau_A^*(x)$, note that since $\rho(\tau, x)$ is strictly increasing in τ, and because as $\lim_{\tau\to 0} \rho(\tau, x) = 0$, the left-hand side is strictly below c as $\tau \to 0$. Next, as $\tau \to \infty$, $\rho(\tau, x) \to 1$, and the left-hand side exceeds c if

$$[1 - \mathbb{1}_{\{x<\overline{x}(A;L)\}}q]B(x) \geq c.$$

In this case, the Intermediate Value Theorem establishes existence and uniqueness of a finite $\tau_A^*(x)$. Instead, if

$$[1 - \mathbb{1}_{\{x<\overline{x}(A;L)\}}q]B(x) < c,$$

then no Opposition type wants to challenge and $\tau_A^*(x) = +\infty$. For the remainder, there are two cases:

(i) if $x \geq \overline{x}(A; L)$, then (19) reduces to

$$\rho(\tau, x)B(x) = c,$$

which is the same as (7) from the benchmark.

(ii) If $x < \overline{x}(A; L)$, then (19) reduces to

$$\rho(\tau, x)(1 - q)B(x) = c,$$

which in comparison to (7), the right-hand side is the same and the left-hand side is strictly less and strictly increasing in τ, hence, $\tau_A^* > \tau_0^*$.

Moving on, we focus on a misaligned Opposition, whose expected payoff if she challenges is

$$\mathbb{1}_{\{x \geq \overline{x}(M;Z)\}}\rho(\tau, x)B(x) + \mathbb{1}_{\{x < \overline{x}(M;L)\}}((1 - \rho(\tau, x))qB(x)) - c,$$

while if she supports, she receives

$$\mathbb{1}_{\{x < \overline{x}(M;L)\}}qB(x).$$

Putting these together, the misaligned opposition is indifferent between challenging and supporting if and only if her type, τ, satisfies,

$$\mathbb{1}_{\{x \geq \overline{x}(M;Z)\}}\rho(\tau, x)B(x) - \mathbb{1}_{\{x < \overline{x}(M;L)\}}\rho(\tau, x)qB(x)) = c. \tag{20}$$

Existence follows by an identical argument as in the aligned case. For the remainder, there are two cases:

(i) if $x \geq \overline{x}(M; Z)$, then (20) reduces to

$$\rho(\tau, x)B(x) = c,$$

which is the same as (7) from the benchmark.

(ii) If $x < \overline{x}(M; Z)$, then in (20) the left-hand side is bounded above by 0, an thus, Z strictly prefers to not challenge.

■

Proof of Proposition 3: The construction of $\overline{x}(j; R)$ and $\tau_j^*(x)$ follow from Lemma 2 and Proposition 2, respectively. Hence, we need only consider Leader's choice over the level of domestic security, taking into account the sequential best-responses of Opposition and Foreign, which is ensured by the construction of $\lambda_j(x)$ in Remark 2.

Leader's problem, then, is

$$\max_{x \in [0,X]} \lambda_j(x) B(x). \tag{21}$$

Noting that $\lambda_j^*(x)$ is an upper semicontinuous function for each $j \in \{A, M\}$, and hence, Leader's objective function, $\lambda_j(x)B(x)$, is also upper semicontinuous. Then, by the Extreme Value Theorem, a solution to (21) exists.

To characterize the equilibrium when Z is aligned, note that on a restricted domain given by the interval $[\overline{x}(A; L), X]$, we have that $\lambda_A(x)$ and $\lambda_0(x)$ are identical. This, together with the fact that for all $x < \overline{x}(A; L)$, $\lambda_A(x) = 0$, implies that if $x_0^* > \overline{x}(A; L)$, L chooses $x_A^* = x_0^*$. If instead $x_0^* < \overline{x}(A; L)$, L chooses $x_A^* = \overline{x}(A; L)$, so as to ensure that F does not intervene. This means that $x_A^* = \max\{x_0^*, \overline{x}(A; L)\}$, as required, and that $x_A^* \geq x_0^*$, follows by inspection.

When Z is misaligned, note that if x lies in the interval $[\overline{x}(M; L), \overline{x}(M; Z))$, we have that $\lambda_M(x) = 1$. Since $B(x)$ is decreasing in x, Leader has no incentive to choose something larger than $\overline{x}(M; L)$. Since for any $x < \overline{x}(M; L)$ we have that $\lambda_M(x) = 0$, Leader has no incentive to choose something smaller than $\overline{x}(M; L)$. This means that $x_M^* = \overline{x}(M; L)$, as required. From Lemma 2,

$$p(1 - q) = \frac{k(\overline{x}(M; L))}{d(\overline{x}(M; L))}.$$

From Proposition 1, notice that x_0^* is independent of p, q, $d(\cdot)$ and $k(\cdot)$. Since $\frac{k(x)}{d(x)}$ is a strictly increasing function of x, if $\frac{k(x_0^*)}{d(x_0^*)} < p(1-q)$, then $x_M^* > x_0^*$, and $x_M^* \leq x_0^*$ otherwise. ■

Proof of Proposition 4: The effect of Foreign's presence on Leader depends on the alignment of Opposition and we will consider these cases separately. First, when Z is aligned, consider the difference

$$\lambda_0(x_0^*) - \mathbb{1}_{\{x<\overline{x}(A;L)\}}\lambda_0(x_A^*),$$

which by Proposition 3, can be written as

$$\lambda_0(x_0^*) - \mathbb{1}_{\{x<\overline{x}(A;L)\}}\lambda_0(\max\{x_0^*, \overline{x}(A;L)\}) \leq 0,$$

where the last part follows by inspection.

Next, when Z is misaligned, consider the difference

$$\lambda_0(x_0^*) - \mathbb{1}_{\{x\in[\overline{x}(M;L),\overline{x}(M;Z))\}} + \mathbb{1}_{\{x>\overline{x}(M;Z)\}} \cdot \lambda_0(x_M^*),$$

which by Proposition 3, can be written as

$$\lambda_0(x_0^*) - 1 < 0,$$

and the last part follows by inspection. ■

Proof of Proposition 5: This result follows from combining Proposition 3 with Lemma 2, namely, that $x_M^* = \overline{x}(M;L) < \overline{x}(A;L) \leq x_A^*$. Consider the effect of Opposition's alignment on both Leader's probability of survival and equilibrium payoff. The

first part follows because

$$\lambda_A(x_A^*) < 1 = \lambda_M(x_M^*),$$

and the second part follows by combining this with Proposition 5, establishing that

$$\lambda_A(x_A^*)B(x_A^*) < \lambda_M(x_M^*)B(x_M^*)$$

since $B(x)$ is decreasing. ■

A Supplemental Appendices

Appendix B—Aligned Leader

Since in the main model, we only consider a Leader who is misaligned with Foreign, in this supplement, we present results for the case of an aligned Leader. Notice that the benchmark does not change, regardless of Leader's alignment with Foreign, therefore we begin by considering F's intervention cutoff when Leader is aligned.

To make clear any differences between aligned and misaligned Leaders, we consider the domestic security threshold that makes Foreign indifferent between intervention and non-intervention that is a function of Leader's alignment, Opposition's alignment, and who is the Ruler of Home, i.e. $x(i, j; r)$ for $i \in \{A, M\}$ for Leader, $j \in \{A, M\}$ for Opposition, and $r \in \{L, Z\}$.

We begin with the case where Leader is in power. Since Leader is aligned, Foreign has no incentive to intervene. Therefore, regardless of Opposition's alignment,

$$\overline{x}(A, j; L) = \overline{x}(i, A; Z) = 0, \tag{22}$$

recognizing that this is the same threshold as in the main model, for the case of a misaligned Leader when an aligned Opposition has successfully become ruler.

Considering Foreign's choice when Opposition has taken power, if Opposition is aligned, (22) shows that Foreign will not intervene. Lastly, if Opposition is misaligned and Leader is aligned, Foreign's tradeoff is identical to the case where misaligned Opposition is the ruler and Leader was also misaligned. Thus,

$$\overline{x}(A, M; Z) = \overline{x}(M, M; Z),$$

where $\overline{x}(M, M; Z)$ satisfies (14).

Proceeding to Opposition's challenge decision, if both Leader and Opposition are aligned then Foreign has no effect and Z's challenge decision is identical to the benchmark.

If Opposition is misaligned, Foreign has the exact same effect on opposition challenges when Leader is aligned as when Leader is misaligned. This is because Opposition's relevant consideration is whether Foreign would be willing to overthrow her should she take power, and Leader's alignment is no longer relevant.

Our aligned Leader then will choose a level of domestic security that solves

$$\max_{x\in[0,X]} \lambda_j(x)B(x),$$

for $j \in \{A, M\}$. Equilibrium existence follows as in the main model. Of interest is the level of domestic security, and the outcomes for Leader, relative to a misaligned Leader.

If Leader is aligned there are two possibilities. First, when Opposition is also aligned, the presence of F has no effect. Second, when Opposition is misaligned, Leader chooses the minimal level of domestic security, $x^* = 0$, because this leads the threat of intervention by F to deter a challenge from Opposition, and hence, Leader's probability of retaining power is 1. Since in the benchmark $\lambda_0(x_0^*) < 1$, for misaligned Opposition, an aligned Leader is more likely to retain power than in the absence of Foreign, and equally likely to retain power as in the main model. However, the level of domestic security is weakly lower in this aligned model with foreign threats than in the benchmark. Further, this implies that Leader's payoff is weakly higher in the aligned model than in the benchmark, because his hazard of holding power and domestic security decision is unchanged if Opposition is aligned, and he is weakly more likely to retain office at a lower level of domestic security if Opposition is misaligned.

Appendix C—Domestic Security and Political Instability

In this appendix, we consider the case where, by repressing Opposition, Leader affects the ability of Opposition to grab power following an intervention from Foreign. Assume

that the parameter q is a function of x, so that the probability of taking power following intervention is $q(x)$, with q being strictly decreasing. That is, the higher the repression against Opposition, the lower the probability that Opposition will take power after an intervention from Foreign. To ensure a meaningful comparison across models, we assume that $q(0) = q$.

Let us start from Foreign's decision. Consider first the case where Opposition is in power. If Opposition is aligned, once again Foreign has no incentive to intervene and we write $\overline{x}^{\dagger}(A; Z) = 0$.

If Opposition is misaligned, the expected utility of F from intervening is

$$-(1-p)d(x) - k(x)$$

Since $q(x)$ does not enter the expression above, the cutoff is identical to the one in the text, that is $\overline{x}^{\dagger}(M; Z) = \overline{x}(M; Z)$

Consider next the case where Leader has retained control of Home. When Opposition is aligned, F's expected payoff from intervention is given by

$$-(1-q(x))(1-p)d(x) - k(x).$$

Rearranging the equation above we obtain

$$(1-p)q(x) + p = \frac{k(x)}{d(x)}. \tag{23}$$

Since the left-hand side is decreasing in x and the right-hand side is increasing in x, we have that there is a unique $\overline{x}^{\dagger}(A; L)$ that solves (23).

Moreover, since $q(x)$ is decreasing in x, we have that $\overline{x}^{\dagger}(A; L) < \overline{x}(A; L)$, meaning that when domestic security has a negative effect on q, Foreign becomes less willing to intervene, since the probability that an aligned actor (Opposition) will take power following the intervention is lower.

Last, consider when Leader is still in power and Opposition is misaligned. In this case, F's expected payoff from intervention is given by

$$-q(x)d(x) - (1-q(x))(1-p)d(x) - k(x),$$

which after rearranging, we obtain

$$p(1-q(x)) = \frac{k(x)}{d(x)}. \tag{24}$$

Both the left-hand side and the right-hand side are increasing in x. However notice that the left-hand side is bounded from above by p and from below by $p(1-q)$, while $\lim_{x\to 0} \frac{k(x)}{d(x)} = 0$, and $\lim_{x\to X} \frac{k(x)}{d(x)} = +\infty$. This implies that there is a unique $\overline{x}^{\dagger}(M;L)$ that solves (24). For a reason similar to the case of a Leader still in control and facing an aligned Opposition, now Foreign is *more* willing to intervene than in the model where q is constant in x, since the risk of regime change, namely, of ending up with a misaligned ruler, is now lower. It is also easy to see that we have $\overline{x}^{\dagger}(M;L) < \overline{x}^{\dagger}(M;Z) < \overline{x}^{\dagger}(A;L)$, just like in the main model, where $q(\cdot)$ was constant.

Moving on to the choice of Opposition to challenge Leader, notice that the only effect of introducing direct dependence of q on x is when $x < \overline{x}^{\dagger}(A;L)$ and $c < (1-q(x))B(x)$. First, notice that this case is off the equilibrium path, yet, we need to pin down Opposition's strategy. To this end, notice that if $\frac{B'(x)}{B(x)} < -\frac{(1-q'(x))}{(1-q(x))}$, then $\tau_A^*(x)$ is increasing in x, just like in the model analyzed in the main text. However, it is possible for $\tau_A^*(x)$ to be *decreasing* in x. This is the case if domestic security has such a negative impact on Opposition's ability to take power following Foreign's intervention that Opposition prefers to directly challenge the Leader, rather than free ride on Foreign's possible intervention.[23]

Finally, the characterization of L's optimal choice of domestic security is similar to

[23]However, recall that we are assuming that domestic security has no direct effect on τ, the strength of the opposition.

that in the main model, with the only difference being that some of the thresholds on x, from Foreign's intervention strategy, are different. Given that the ranking of the various thresholds on x is unchanged, the qualitative predictions of our model are unaffected by introducing a dependence of the probability Z gains power following intervention on the level of domestic security.

Appendix D—Intervention Failure

For the purposes of this supplement, we relax the assumption that intervention by F is able to overthrow whoever rules H with probability 1. Let $\gamma \in [0, 1]$ be the probability that intervention by F is successful and $1 - \gamma$ is the probability that intervention fails.[24] The expected payoffs for players, then, follow by taking expectations over the utilities in the main model.

We now proceed through the main results accounting for F's inability to remove the ruler of H with certainty. Notice that the benchmark does not change, therefore we begin by considering Lemma 2 in light of stochastic intervention success. Notice that the cutoffs for F follow by an identical argument as in Lemma 2, but where the left-hand side in each case is multiplied by γ. In particular, using the exact same argument and replacing η with $\frac{\eta_\gamma}{\gamma}$, Foreign's intervention choice rule follows. Consequently, we have that $\overline{x}^\gamma(A; Z) < \overline{x}^\gamma(M; L) < \overline{x}^\gamma(M; Z) < \overline{x}^\gamma(A; L)$ as in the main text. However, substitution of $\frac{\eta_\gamma}{\gamma}$ into Lemma A.1 shows that when intervention fails with probability γ, the threshold level of domestic security for F is lower than in the main model, reflecting that Foreign is less willing to intervene.

Proceeding to Opposition's challenge decision, when intervention can fail, fewer Opposition types challenge when Z is aligned, while more Opposition types challenge when Z is misaligned, relative to the main model. Specifically, observe that if $x \geq \overline{x}^\gamma_{A;L}$ the fact that intervention may fail has no effect on Opposition's strategy. For the case where

[24] Note that the main model is achieved in this extension by setting $\gamma = 1$.

$x < \overline{x}^{\gamma}_{A;L}$, Opposition will challenge when

$$\rho(\tau, x)B(x)\Big[2 - \gamma(1+q)\Big] > c.$$

Since $2 - \gamma(1+q) > 1 - q$, fewer Opposition types will challenge, i.e. $\tau^{\gamma}_{A}(x) > \tau^{*}_{A}(x)$.

For misaligned Opposition, if $x \geq \overline{x}^{\gamma}(M; Z)$ then stochastic intervention failure has no effect on Opposition challenges. If $x < \overline{x}^{\gamma}(M; Z)$, challenging is optimal when

$$\rho(\tau, x)B(x)\Big[1 - \gamma(1+q)\Big] > c.$$

Therefore, some types will challenge. Since no types of misaligned Opposition challenge in the main model, stochastic intervention failure increases the risk to Leader from domestic challenges.

Finally, moving on to Leader, L chooses the level of domestic security to solve:

$$\max_{x \in [0,X]} \lambda^{\gamma}_{j}(x)B(x),$$

for $j \in \{A, M\}$. Equilibrium existence follows by an identical argument as Proposition 3 from the main model. Of interest is whether the level of domestic security, and the outcomes for Leader, change when intervention by Foreign may fail. Even when Foreign's intervention may fail, it is never a best response for Leader to choose a level of domestic security below F's sequentially rational intervention threshold unless the probability of intervention success is 0.

Since $\overline{x}^{\gamma}(j; R) < x^{*}(j; R)$ for $R \in \{L, Z\}$ and $B(x)$ is strictly decreasing, the level of domestic security selected by Leader may be less than the level of domestic security in the main model. That is, $x^{\gamma}(j; R) \leq x^{*}(j; R)$ depending on whether the level of domestic security necessary to deter Foreign in the stochastic intervention case is sufficient to also deter domestic challenges sufficiently to maximize Leader's probability of retaining office.

Lastly, relative to the main model, Leader's hazard of holding power increases and

his benefit of retaining office increases. This implies $\lambda_j^\gamma(x_j^\gamma) \leq \lambda_j^*(x_j^*)$. Leader will choose $x_j^\gamma \geq \overline{x}^\gamma(j;R)$, but this generates two cases to consider. If $x_j^\gamma \geq \overline{x}(j;R)$ from the main model, then F's stochastic intervention success has no effect on Leader's hazard of holding power or payoff from retaining office. If instead, $x_j^\gamma \in \left[\overline{x}^\gamma(j;R), \overline{x}(j;R)\right)$ then Leader's hazard may increase. In this case, Foreign does not intervene, eliminating that threat to Leader's power. However, with a lower level of domestic security, Leader may be more vulnerable to Opposition challenges compared to the main model. If Leader does survive in office, he does so having invested less in domestic security, increasing his payoff.

Appendix E—Multiple Optima

The probability of Leader's survival in office, $\lambda(x)$, is quasiconcave but not necessarily strictly concave in x. Therefore, there may be multiple solutions to Leader's choice problem. In this supplement we address this possibility but note initially that the possibility of multiple optimal x^* does not qualitatively change the outcomes—either for foreign intervention or challenges against Leader—from the main model.

In the benchmark, as mentioned in the main text, there may be multiple, payoff-equivalent x_0^* that characterize multiple equilibria to the game without a foreign threat. In each of these possible equilibria, Opposition challenges if her type is sufficiently high, thus the possibility for multiple solutions to Leader's problem does not generate qualitatively different results.

Now consider Leader's problem in the presence of a foreign threat. For any alignment of Z, if Leader's problem, given in (6), has one or more solutions below the threshold $\overline{x}(j;R)$, for $j \in \{A, M\}$ and $R \in \{L, Z\}$, Leader's probability of retaining power should she choose any $x_j^* < \overline{x}(j;R)$ is zero. Thus any such solution is not a best response, given Foreign's choice rule. Leader will instead choose $x_j^* \geq \overline{x}(j;R)$ to avoid foreign intervention.

Opposition's alignment is consequential if there are multiple optima above the thresh-

old $\overline{x}(j;R)$. If Z is misaligned, Leader will choose $x^*_M = \overline{x}(M;L)$, even if there is another (or multiple) solution $x^*_{M'} > x^*_M$, because Leader can guarantee a probability of survival $\lambda_M(x) = 1$ for either solution and $B(x)$ is decreasing in x. If Opposition is aligned and there are multiple possible solutions above the threshold $\overline{x}(A;L)$, there may be multiple payoff-equivalent equilibria that are observationally equivalent to the main model.

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