

1 Introduction

The regime that a revolution destroys is almost always better than the one that immediately preceded it, and experience teaches that the most dangerous time for a bad government is usually when it begins to reform.

Alexis de Tocqueville (2011 [1856], p. 157)

As we write these words, the world seems engulfed in protest. Across France, hundreds of thousands of “Yellow Jackets” take to the streets to protest hikes in gasoline taxes and the broader economic agenda of President Macron, who “is once again finding that the French do not respond well to reform.”¹ In Jordan, seventeen people are arrested in protests against a fiscal reform and new tax law that raises taxes on citizens and businesses – this, after an earlier, much larger wave of disturbances that shook the monarchy in June 2018. Protest activities in Russia more than tripled in the third quarter of 2018, compared to the beginning of the year (Tsentr Ekonomicheskikh i Politicheskikh Reform, 2018), as citizens responded to a government plan to raise the retirement age. Protests against tax reform in Costa Rica turned violent in September 2018, while in neighboring Nicaragua the government was forced to cancel welfare system reforms after a wave of deadly disturbances. And in Madison, Wisconsin, protesters once again converged on the state capitol – this time in response to legislation sponsored by Republican lawmakers that would (and ultimately did) reduce the powers of the incoming Democratic governor and attorney general.

A casual observer would find it easy to understand these events. Faced with threats to their rights and economic well-being, the losers from reform turn out in protest. A scholar steeped in the literature on contentious politics might dig deeper, asking whether changes in the political opportunity structure or other factors had facilitated protest at this time and place – but he or she would likely also treat the underlying grievances as intuitive.

Yet as suggested by the epigraph that begins this Element, there are numerous instances of contentious political action where those who rebel are the intended winners, not losers, from reform. As we show in the following pages, the emancipation of serfs in Russia led to increased unrest among precisely those peasants. Similarly, the abolition of feudalism in revolutionary France increased, not decreased, unrest in the French countryside. The end of tax farming in the Ottoman Empire provoked disturbances among those who stood to benefit. Land redistribution in ancient Rome arguably contributed to the

¹ Smith, Saphora. “Who are France’s ‘Yellow Jacket’ protesters and what do they want?” NBC News, November 27, 2018.

outbreak of the Social War between Rome and its Italian allies. And land reform in twentieth-century Columbia, Peru under Fernando Belaúnde Terry, and Chile under Eduardo Frei Montalva all encouraged unrest among peasants and workers on agricultural estates.

Nonetheless, as these same cases illustrate, reform sometimes promotes rather than undermines social stability. Roman (as opposed to non-Roman Italian) citizens who were targeted for benefits under the *Lex Sempronia Agraria* of Tiberius Gracchus appear not to have rebelled. The same is true of the peasants who gained land through reform in Costa Rica, Bolivia, and Peru under Juan Velasco Alvarado.

1.1 Understanding Reform and Rebellion

When does reform provoke rebellion among its intended beneficiaries, and when does it discourage it? To answer this question, we present a theory that emphasizes that reform often must be implemented by local actors with a stake in the status quo. In this setting, the promise of reform represents an implicit contract against which subsequent implementation is measured: when implementation falls short of this promise, citizens are aggrieved and more likely to rebel.

Together, these assumptions imply that when – for reasons of state capacity or the nature of reform – the implementation of reform is predominantly local, a more ambitious reform leads to greater disappointment and thus more unrest. Notably, this is true even though rebellion is costly for the local elites responsible for carrying out reform. Conversely, when the implementation of reform is largely under central control, then grievances and hence rebellion are decreasing in the extent of reform.

This theory helps to make sense of the diverse outcomes we explore in subsequent sections. For most of the cases we examine, reform was substantially delegated to local elites. In Russia, for example, the central state was far too weak to implement reform on its own. With little state presence outside of provincial capitals, the tsar and his ministers had no choice but to rely on the nobility – the very landowners who stood to lose from reform – to carry out the redistribution of land rights and renegotiation of obligations that were central to emancipation. When the implementation of reform inevitably drifted from its stated intent, former serfs rebelled.

For a few of the cases we examine, however, reform was centrally rather than locally implemented. A legacy of land redistribution in ancient Rome enabled a top-down land reform that targeted Roman citizens. In Bolivia, land

reform was similarly guided by a central commission dominated by supporters of reform. Here and elsewhere, the implementation of reform largely lived up to its promise, encouraging social stability.

1.2 The Tocqueville Paradox in the Literature

Our analysis builds on Alexis de Tocqueville's intuition that reforms present a danger to the regime that undertakes them. While at odds with many contemporary models of political economy that are neatly encapsulated by Adam Przeworski's observation that "extensions of rights are a response of the incumbent holders of rights to revolutionary threats by the excluded" (Przeworski, 2009, p. 292),² Tocqueville's paradoxical conjecture has served as a basis for numerous earlier contributions.³

A common interpretation of Tocqueville's argument is that reforms lead to rising, but rarely fulfilled, expectations among citizens. This understanding occupies an important place in Davies's (1962) famous "J-curve" theory of revolution, in which a period of wealth and advancement is followed by backsliding and worsening of conditions, eventually leading to rebellion. Building on Davies, Tocqueville's observation informs Gurr's (1970) theory of relative deprivation, in which expectations of improvement are juxtaposed with a much harsher reality, leading "men" to rebel. The same logic also underlies the work of Huntington (1968, p. 163), where a slightly different translation of Tocqueville's conjecture serves as the basis for the contention that reforms may be a "catalyst" for social instability. A key contribution of our theoretical perspective is to clarify why expectations are so often unmet.

Beyond these general arguments, the Tocqueville paradox has been used by scholars to account for particular cases of large-scale social unrest. Thus, for example, Grieder (2012, pp. 37–38) relies on Tocqueville to explain the 1953 riots in East Germany, where, following Stalin's death, a "New Course" was announced by communist elites. Similarly, Dubow (2014, p. 205) argues that Tocqueville's logic helps to explain the crisis of legitimacy that followed the apartheid-era South African government's initial power-sharing reforms.

An alternative interpretation of the Tocqueville paradox is that reforms create an opening for collective action. This view is most explicitly articulated by

² See, for example, Acemoglu and Robinson (2000, 2001, 2006); Boix (2003); Gandhi and Przeworski (2006); Dunning (2008); Ansell and Samuels (2010); Svobik (2012); Miller (2013).

³ A related body of work (Acemoglu et al., 2018; Healy et al., 2017) considers Tocqueville's varying conjectures about the relationship between social mobility – that is, the possibility of moving up or down the income distribution – and social stability (de Tocqueville, 2002 [1835/40], 2011 [1856]).

Tarrow (1989), who uses Tocqueville in positing the role of political opportunity structure in contentious action. Tarrow (2011) again draws the analogy, suggesting that changes to political opportunity structure can explain momentous events such as the collapse of the USSR. “How could so massive a wave of political contention develop in so centralized a regime after decades of repression? The simplest answer was provided by Alexis de Tocqueville . . . Had he been present two hundred years later, he might well have applied his theory to the Soviet Union” (Tarrow, 2011, p. 157).

An inevitable limitation of these perspectives is that they present a rather singular relationship between reform and social unrest. Tocqueville himself seemed to largely share this view, writing that “[o]nly a great genius can save a ruler who is setting out to relieve his subjects’ suffering after a long period of oppression” (de Tocqueville, 2008 [1856], p. 175). Whereas genius might certainly play a role, later scholarship does identify conditions under which reforms might not lead to unrest. Most relevant for our perspective is the work of Bertrand (2013) and Haggard and Kaufman (1992, 1995), who argue that strong state institutions reduce the likelihood of substantial pressure from below in the wake of reforms.⁴

A final line of argument takes structural factors as given and focuses instead on reform’s design. Evidence from East Asia suggests that, when implemented slowly and cautiously, reforms might not lead to massive social instability and danger to the regime (Bertrand, 2013; Dimitrov, 2013) – an argument with echoes in the literature on the normative political economy of reform (Dewatripont and Roland, 1992, 1995). The model that we present in the following section deals with such considerations in reduced-form manner by parameterizing the scale of reform.

1.3 Plan of the Element

This Element is structured as follows. Section 2 presents our theoretical model, from which we derive predictions about the (conditional) relationship between reform and rebellion and various implications for the optimal design of reform. Section 3 explores in detail Russia’s emancipation of the serfs in 1861 – an important reform for which we have unusually rich data on peasant unrest and an empirical setting that allows for the identification of a causal effect of reform on rebellion. Section 4 further extends our analysis by briefly discussing the impact of various reforms on social stability in several additional settings: the Tanzimat Reforms of the late Ottoman Empire, the land reform of

⁴ Numerous models consider mechanisms by which autocrats might reduce the risk of rebellion without explicitly tying unrest to reform. For a review, see Gehlbach et al. (2016).

Tiberius Gracchus in ancient Rome, the abolition of feudalism in the early days of the French Revolution, and various land reforms in twentieth-century Latin America. The final section concludes.

2 Theory

What is the relationship between reform and rebellion? In *The Ancien Régime and the French Revolution*, Alexis de Tocqueville famously argued: “The regime that a revolution destroys is almost always better than the one that immediately preceded it, and experience teaches that the most dangerous time for a bad government is usually when it begins to reform” (de Tocqueville, 2011 [1856], p. 157). Behind this quote lie two ideas: reform may provoke rather than prevent rebellion, and whether it does so depends on the character of the state. In this section we present a theory that develops both ideas.

2.1 Building Blocks

Our argument builds on Tocqueville in emphasizing the role of reform in raising expectations that cannot easily be satisfied: “The evil that one endures patiently because it seems inevitable becomes unbearable the moment its elimination becomes conceivable” (de Tocqueville, 2011 [1856], p. 157). But why should the expectations raised by reform be so hard to fulfill? One possibility is that reform, once announced – and expectations raised – can still be blocked by actors with a stake in the status quo. Expressing this view, Oberschall (1995, pp. 155–157) suggests that “Tocqueville’s paradox” is in fact hardly surprising, as “reform attempts tend to be half-hearted and ineffective because of institutional weakness and deliberate efforts by certain groups to undermine them.” The actual outcome is “erratic reformism,” exacerbating rather than quieting discontent.

This perspective, in turn, raises further questions. To what extent do the “certain groups” in a position to block implementation of reform internalize the resulting rebellion? Is there always a trade-off between stability and reform, or is it possible to pursue the latter without risking the former? Finally, is reform indeed most dangerous for what Tocqueville referred to as “bad governments”?

To answer these questions, we develop a simple model of reform and rebellion. Our modeling approach incorporates two key assumptions. First, we assume that some part of reform, modeled simply as the reallocation of a divisible resource, must be *implemented* by a strategic agent – a local elite, in our formalization – with a stake in the status quo. Even autocratic rulers cannot rule by fiat alone but instead must rely upon formal or informal agents to carry

out bureaucratically demanding tasks. Those agents with sufficient expertise to implement reform – or sufficient power to block its local implementation – are often those with the most to lose.

An instructive case, which we discuss at length in Section 3, is Russia’s emancipation of the serfs in 1861: implementation of this complicated reform was by necessity substantially delegated to the nobility that possessed the land on which serfs resided. More generally, land reform often provides opportunities for obstruction by local elites (Albertus, 2015; Albertus and Kaplan, 2013). When, in the wake of decolonization, numerous African states embarked on heavily “top-down” land reforms, the results were often abysmal. Recognizing these failures, in the early 1990s central states “backed off” and delegated the implementation of land redistribution and titling to local actors (Bruce and Knox, 2009). Such processes also extend to other types of reform. As we discuss in Section 4, when the Ottoman Empire moved from tax farming to direct taxation as part of the mid-nineteenth-century Tanzimat Reforms, it often had to rely on pre-reform tax farmers to implement the change, even though these individuals had everything to lose and almost nothing to gain from the new situation (Aytekin, 2012). Similarly, the Industrial Communities program in Juan Velasco’s Peru, which sought to increase worker control and profit sharing in industrial enterprises, could only succeed with the acquiescence of enterprise managers (Stokes, 1995, pp. 33–34). Even the most capacious states often depend on local agents to implement certain reforms. For instance, education reforms typically depend on the conduct of teachers, who are “the final brokers when it comes to implementing policy” in their classrooms (Spillane, 2000, p. 142), regardless of whether they gain or lose from reform.

Our second key assumption is that reform represents an *implicit contract* against which subsequent implementation is measured. To the extent that implementation falls short of the promise of reform, citizens are aggrieved and consequently more likely to rebel. This perspective builds most directly on recent work in economics on contracts as reference points – with the key difference that the contract is imposed upon, rather than negotiated by, the actor responsible for its implementation. As in that literature (see especially Hart and Moore, 2008; Hart and Holmstrom, 2010), we adopt the stark assumption that citizens’ aggrievement, and thus propensity to rebel, is increasing in the difference between the maximum they could have received (the promise of reform) and what they actually do (the implementation of reform).

The verisimilitude of this behavioral assumption is plausibly supported by related work on two distinct phenomena. First, a long literature in various disciplines emphasizes that rebellion is driven, at least in part, by “grievances”

or “expressive” concerns (e.g., Gurr, 1970; Scott, 1976; Wood, 2003), sometimes in interaction with more instrumental motivations (van Zomeren et al., 2004, 2012; Humphreys and Weinstein, 2008).⁵ In our setting, such grievances are driven by disappointment with the implementation of reform. Second, a substantial literature demonstrates the importance across a range of field and laboratory environments of “reference dependence” – that is, the tendency of individuals to “normally perceive outcomes as gains and losses . . . relative to some neutral reference point” (Kahneman and Tversky, 1979, p. 274).⁶ We argue that the promise of reform can serve as one such reference point.

As our discussion of the Russian case in Section 3 illustrates, the promise of reform is often quite visible, creating the potential for disappointment – and thus unrest – when the implementation of reform is blocked. Intuitively, we can think of citizens as “endowed” by reform with a share of the contested resource (Thaler, 1980; Knetsch, 1989; Kahneman et al., 1990); the failure of elites to fulfill that promise is experienced as a loss of the endowment.⁷ At the same time, such grievances may be at least partially offset to the extent that reform improves on the status quo – another important reference point that is emphasized in some experimental work.⁸ Rather than choosing between these two reference points in an ad hoc manner, we parameterize their relative importance. Our key results relate to the weight that citizens place on gains

⁵ Chong (2014, ch. 4) refers to expressive behavior as noninstrumental but “narrowly rational,” which accords with our assumption that such concerns enter the cost-benefit calculation in the decision to rebel. Blattman and Miguel (2010) suggest that the weak statistical evidence for such motivations in some studies may be a consequence of the crude proxies employed, and they call for the development of better measures of grievances. For a formal theory of grievance-based (vs. political-process) contentious politics, see Shadmehr (2014).

⁶ For reviews, see Camerer et al. (2004) and DellaVigna (2009). Formal models of political behavior have considered a variety of reference points, including the status quo (Alesina and Passarelli, 2015; Lockwood and Rockey, 2015), the solution to a biased social-welfare maximization problem (Passarelli and Tabellini, 2017), past payoffs (Bendor et al., 2003), rational expectations of future payoffs (Grillo, 2016; Acharya and Grillo, 2017), and aspirations established by parents (Besley, 2016).

⁷ The assumption that citizens are more likely to rebel when implementation falls short of the promise of reform can also be motivated by the observation that individuals are willing to take costly actions to punish those who hurt them (Rabin, 1993) and by evidence that collective action is more likely when citizens are able to trace blame to specific, identifiable actors (Javeline, 2003a, b) – in our context, the elites responsible for reform’s local implementation.

⁸ For discussion, see Köszegi and Rabin (2006). Our formulation of dual reference points is consistent with the “reference lotteries” in Köszegi and Rabin if one interprets the status quo and promise of reform as potential outcomes, though our analysis does not invoke that paper’s “extreme” (p. 1135) assumption that expectations under this lottery are determined by equilibrium strategies. In a review essay, Bendor (2016) emphasizes that Kahneman and Tversky’s (1979) invocation of the status quo as a reference point was an “auxiliary hypothesis” and that different environments may feature different reference points. For discussion and a theoretical framework that employs both aspirations and the status quo as reference points, see Mo (2018).

over the status quo (versus losses from incomplete implementation), relative to the extent to which the implementation of reform is under local (rather than central) control.

2.2 Model

Our behavioral assumptions pin down the probability of unrest, *given* the degree of local implementation. The need for a model is to evaluate the strategic response of local elites, for whom we assume rebellion is costly. Here we present a highly stylized model that abstracts from various considerations. Later in this section and in Finkel and Gehlbach (2018) we discuss robustness of our key results to numerous extensions and generalizations.

Our model takes the form of a bargaining game featuring an *elite* and a *citizenry*, considered as unitary actors. It is useful to think of the elite and citizenry as local actors within a larger polity – an interpretation that we will discuss further.

We are interested in the response of the citizenry to reform $\gamma \in (0, 1]$, where the parameter γ denotes the proportion of an infinitely divisible resource to be transferred from the elite to the citizenry. We do not provide a model of the process by which γ is chosen, though our analysis implies a number of lessons for reform design, which we will discuss. Implicitly, we model the subgame that follows the unmodeled choice of γ by a central government. We let $\hat{\gamma}$ denote the status quo allocation of the resource to the citizenry, where $\hat{\gamma} < \gamma$.

The implementation of reform depends in part on the behavior of the local elite. In particular, we assume exogenous proportion $\lambda \in (0, 1)$ of the resource to be under control of the elite, which chooses a *local implementation* of reform $x \in [0, \gamma]$. In contrast, proportion $(1 - \lambda)\gamma$ is transferred automatically to the citizenry – for example, because an unmodeled central government has sufficient capacity to force that decision on the elite, an intuition to which we will return. We refer to this latter, automatic transfer as *central implementation*. Many of our key results relate to the degree to which the implementation of reform is under local control, as captured by λ . Figure 2.1 provides a graphical illustration of this environment.

Following implementation of reform, the citizenry in each locality decides whether to rebel. We assume that the motivation to rebel is based entirely on expressive concerns, though, as we discuss, our results are robust to assuming that the citizenry values the contested resource directly. Peering behind the veil of a unitary citizenry, one can rationalize this assumption by assuming that the material gains from rebellion are non-excludable, whereas the “warm glow” from rebellion is experienced if and only if a citizen participates in rebellion.

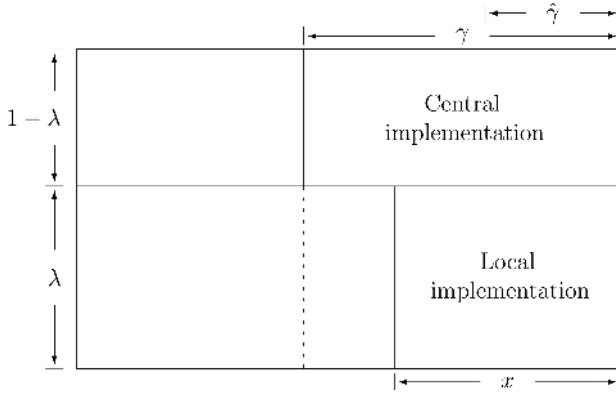


Figure 2.1 The policy environment. Proportion λ of an infinitely divisible resource is under control of the local elite, whereas proportion $1 - \lambda$ is under “central control.” The elite chooses how much (x) of reform γ to locally implement; central control implies full implementation of γ . The status quo allocation under both local and central control is $\hat{\gamma}$.

In particular, we assume that the citizenry is more inclined to rebel, the larger its dissatisfaction with the implementation of reform. Formally, the citizenry compares the payoff from not rebelling, which we normalize to zero, to the expected payoff from rebelling, which we define as

$$\Gamma(x; \gamma) - \epsilon,$$

where $\Gamma(x; \gamma)$ denotes the citizenry’s *grievance*, which is a function of the endogenous local implementation of reform x and the exogenous reform γ . The random variable ϵ represents the (material, psychological, etc.) cost of rebellion, drawn from distribution F , that is realized only after the elite chooses x . To keep the presentation tractable, we assume that F is the uniform distribution, with support $[-\sigma, \sigma]$, where σ is sufficiently large to ensure that, for any level of local implementation, the citizenry rebels with probability strictly between zero and one. This implies that the probability of rebellion, given local implementation x , is

$$\frac{\Gamma(x) + \sigma}{2\sigma}. \tag{2.1}$$

To capture the idea that reform is an incomplete contract against which subsequent implementation is measured, we assume that the citizenry’s grievance is increasing in the degree to which local implementation x falls short of the promise of reform γ . (By assumption, central implementation is complete.) We also allow for the possibility that reform reduces the citizenry’s grievance to the extent that the implementation of reform – central as well as

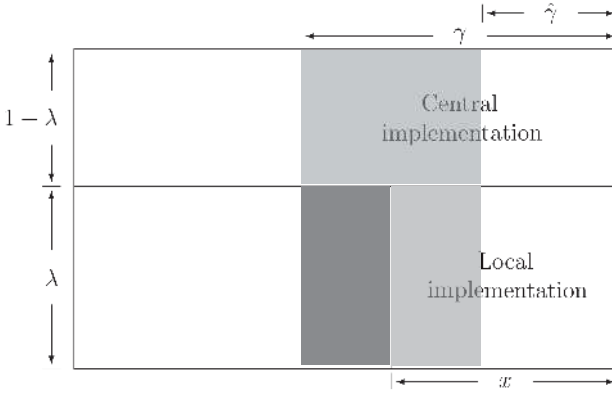


Figure 2.2 The citizenry’s grievance is increasing in the degree to which local implementation x falls short of the promise of reform γ (area with dark shading) and decreasing in the degree to which the implementation of reform – central as well as local – improves on the status quo $\hat{\gamma}$ (area with light shading). The model parameterizes these two evaluations, with weight $1 - \beta$ given to the former and weight β given to the latter.

local – improves on the status quo $\hat{\gamma}$. Figure 2.2 illustrates these evaluations. We parameterize the relative importance of the two evaluations, such that weight $1 - \beta$ is given to the former and weight β given to the latter. Formally, the citizenry’s grievance is

$$\Gamma(x; \gamma) = \underbrace{(1 - \beta) [\lambda(\gamma - x) + (1 - \lambda)(\gamma - \gamma)]}_{\text{Underimplementation}} - \underbrace{\beta [\lambda(x - \hat{\gamma}) + (1 - \lambda)(\gamma - \hat{\gamma})]}_{\text{Gains over status quo}}.$$

Simplifying gives

$$\Gamma(x; \gamma) = \lambda(\gamma - x) - \beta(\gamma - \hat{\gamma}). \tag{2.2}$$

The citizenry’s grievance is thus a weighted difference of the degree to which a) local implementation falls short of the promise of reform and b) the promise of reform improves on the status quo, where the weights on the two terms correspond to the degree of local implementation (λ) and the relative importance of the status quo in the citizenry’s evaluation of gains and losses from reform (β).

Rebellion is costly to the elite. We assume that, in the event of a rebellion, the elite loses proportion $p \in (0, \gamma)$ of the resource under local control. (We can interpret the parameter p as the probability that the citizenry gains control of the local resource, which, for reasons already considered, does not