

Military expenditure in Authoritarian Regimes

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Although one third of the world's countries are ruled by authoritarian regimes, dictatorship remains a little explored area of economics. The purpose of this paper is to examine how public choices differ across authoritarian regimes: whether dictatorships are governed by a single-party, a monarch, a military organization, a personal rule or an intermediate category has important implications for the allocation of the government budget to civilian and military expenditure. Papers on the determinants of military expenditures have considered the effect of regime type, generally identified using indices that rank countries on some scale from perfect democracy to absolute autocracy (e.g. Polity IV, Freedom House Index, etc). However, these indices ignore the substantial differences between various forms of democracy and autocracy. This paper attempts to dissect the latter category. We argue that civil-military relations in autocracies vary substantially according to the type of authoritarian regime. In dictatorships, public choices result from a struggle for power between leaders and elites. Elites matter because they control the fates of dictators, since most dictators are overthrown by members of their inner circle. Both actors want to ensure their continued political influence through a favourable allocation of the government budget. Moreover, the control over the security forces gives access to troops and weaponry, and affects the ease with which elites can unseat dictators. Autocratic rulers employ different strategies for staying in power, from cooption to repression, and thus differ in the extent that they are required to buy off the military. Therefore, the institutional makeup of dictatorships affects the nature of this interaction, and in turn the share of the government budget allocated to military vs civilian spending. Drawing on a new data set that sorts dictatorships into 5 categories, we investigate whether there are systematic differences in government expenditures amongst different forms of dictatorships.

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