Civil-Military Relations in Authoritarian Regimes

by

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ABSTRACT

This dissertation proposes a theory of authoritarian control of the armed forces using the economic theory of the firm. To establish a "master-servant" relationship, an organization structures governance as a long-term contractual agreement to mitigate the vulnerabilities associated with uncertainty and bilateral dependency. The bargaining power for civilian and military actors entering a contractual relationship is assessed by two dimensions: the negotiated political property rights and the credible guarantee of those rights. These dimensions outline four civil-military institutional arrangements or army types (cartel, cadre, entrepreneur, and patron armies) in an authoritarian system. In the cycle of repression, the more the dictator relies on the military for repression to stay in office, the more negotiated political property rights obtained by the military; and the more rights obtained by the military the less civilian control. Thus, the dependence on coercive violence entails a paradox for the dictator—the agents empowered to manage violence are also empowered to act against the regime. To minimize this threat, the dictator may choose to default on the political bargain through coup-proofing strategies at the cost to the regime's credibility and reputation, later impacting a military's decision to defend, defect, or coup during times of crisis. The cycle of repression captures the various stages in the life-cycle of the political contract between the regime and the armed forces providing insights into institutional changes governing the relationship. As such, this project furthers our understanding of the complexities of authoritarian civil–military relations and contributes conceptual tools for future studies.

DEDICATION

To Clark and Max.

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CHAPTER 1

INTRODUCTION

"No institution matters more to a state's survival than its military, and no major uprising within a state can succeed without the support or at least the acquiescence of the armed forces." (Zoltan 2016, 5)

How do authoritarian regimes gain and maintain civilian control of the military? Civilian control can be simply defined as the condition in which "civilian leaders can reliably get the military to do what they want it to do." (Desch 1999, 4) It confers responsibility for the state's strategic decision making in the hands of civilian political authorities, rather than the military establishment. Specifically, civilian authorities have control over setting policy (the ends), the decision on the implementation (the means), and determining lines of responsibility between ends and means. The armed forces play a critical role in many aspects of state and society as a whole. While the military is considered a part of the state, it often acts as if it were outside—much like a pressure group, it marshals considerable resources for its own benefit. (Pion-Berlin 1997, 27) Many important topics studied by social scientist such as revolutions, democratization, and economic development are greatly impacted by the relationship between the military and the state. Despite the armed forces importance as an institution, scholars have not fully defined or conceptualized the variation in civil-military relations, especially in authoritarian regimes. The purpose of this dissertation is to conceptualize the variation in civil-military arrangements in authoritarian regimes and examine how these arrangements condition the armed forces support of a regime in crisis. In other words, how do authoritarian regimes design civil-military institutions to gain and maintain control of the

armed forces? What are the factors and conditions influencing civil-military institutional arrangements? In what type of arrangement is the armed forces more likely to defend, defect, or coup during a regime crisis?

In June 1989, mass protests erupted in Beijing's Tiananmen Square. Images of students hauling a makeshift lady liberty splashed across television screens around the world. At the time, popular uprisings were also threatening to unseat communist governments across Eastern Europe. Many thought the protests in Tiananmen Square would bring about liberal reforms in China. Yet, this never came to be. Days later, the Chinese authorities unleashed the coercive power of the People's Liberation Army to clear the square. Shortly thereafter, the communist regime had effectively suppressed the movement. In 2011, the Arab Spring brought another wave of popular uprisings. What had once thought improbable, mass movements had toppled some of the most entrenched dictators. Many policy analysts and area specialists had assumed the armies would stand by these regimes as they have done in the past. Unexpectedly, some militaries had refused to fire on protesters and intervene on behalf of the dictators in crisis. Why did the Chinese army obey orders to fire upon unarmed protesters in 1989, while Egyptian forces defected in 2011, arguably a delayed coup d'état in 2013? Why do armies that have a history of repression, or have previously repressed on behalf of the dictator, later decide to defect or coup? Related to this question is the paradox of authoritarian system maintenance—the dilemma of establishing coercive organizations designed to support the dictator, while concurrently preventing that organization from turning into a threat. (Bueno de Mesquita et al., 2005; Svolik, 2012, 2013; Albrecht 2015a)

Several studies have observed that the military is an important component in revolutions, rebellions, and regime transitions. (Skocpol 1979; Goldstone 1991; Goldstone et al. 1991; Ackerman 1994; Ackerman and DuVall 2000; Goodwin 2001; Schock 2005; Chenoweth and Stephan 2011) However, many of these studies have not specifically studied the military as an institution with distinct interests and preferences separate from the regime. As noted by Barany (2016), "the military, the institution that, by definition plays a critical role in revolutions, frequently do not receive sufficient attention from experts." (2) In their study Chenoweth and Stephan (2011) found statistical evidence that the military's defection increased the likelihood of a successful outcome for nonviolent campaigns by 60 percent. (58) This statistic raises several questions. How and why do militaries react to crisis events that threaten the ruling elite? What factors come in to play when a military decides to intervene on behalf of the regime, support the opposition, or take over the government? We have few answers to these questions with real policy implications. Furthermore, while armies are an important institution, the variation in civil-military institutional designs has not been fully conceptualized and classified.

To explain the variation in civil-military institutional arrangements, this dissertation proposes a theory of authoritarian civilian control of the armed forces using the organizational theory of the firm. The theory of the firm explains the contractual relationship between the leader and the armed forces which establishes a master-servant relationship, or hierarchy. I argue that the contractual arrangements are determined by the bargaining power of the dictator and the armed forces based on the market value of organized violence. Political actors' bargaining position are assessed by two dimensions:

the negotiated political property rights and the credible guarantee of those rights. These dimensions outline four civil-military institutional arrangements or army types (cartel, cadre, entrepreneur, and patron armies) in an authoritarian system. Moreover, this typology captures the bargaining environment which informs the military's decision to defend, defect, or coup when a regime is in crisis.

Conceptualizing Civil-Military Institutional Arrangements and Civil Control

The military is defined as the state's coercive apparatus formally mandated to defend against foreign threats; however, they may also be responsible for internal security missions and participate in state-led repression. (Brooks 2019, 2) Civil-military institutions are rules and organizational arrangements which implement military security policy. According to Huntington (1957), military security policy is the program of activities designed to minimize or neutralize efforts to weaken or destroy the nation by physical threats (state and non-state armed forces), typically outside the state's institutional and territorial confines. (1) Conceptually, these rules, or institutional arrangements, guide civilian leadership (ruling elite) and the armed forces relationship in enacting security policy. Civil–military relations comprise several different relationships—between the military institution and broader society, between the military and other government bureaucracies, and between political leaders and the military elite (Nielsen and Snider 2009, 3) However, the primary focus within political science, and this project, is the relationship between civilian leaders and the military elite. As used in this project, military leadership, military elite, top brass, or military establishment come

from the senior ranks of the officer corps and hold high-levels of command authority within the military organization. The relationship between regime rulers and the military elite can take on various institutional configurations.

Traditionally, scholars exploring civil-military institutions have focused on the civil-military problematique: "who will guard the guardians?" (Feaver 1996) This concise question encapsulates the predicament: "How do civilian political actors manage to subordinate the military to their authority?" (Perlmutter and LeoGrande 1982, 779) In civil-military arrangements, there is always a concern over compliance—will the armed forces obey civil authorities, or will the military use its coercive power to resist compliance and pursue its own interests? The underpinning of the civil-military relationship, in any political order, involves the principal-agent problem, where the principal can never be certain the agent is carrying out the principal's wishes. While the principal creates the rules, he or she must delegate authority to an agent to carry out the rules. Conforming to rules requires both implementation and enforcement by an agent. How do the civilian authorities solve the civil-military problematique or effectively control the army? Scholars generally define the presence or absence of civilian control according to whether or not civilian leader's preferences prevail over the military's preferences across the state's policy domains, including those that bear on the military itself. (Desch 1999; Feaver 1996, 2003a) In the presence of civilian control of the military, civilian leaders are also able to allocate institutional prerogatives and choose when to delegate authority to the military. (Croissant et al. 2010, Feaver 2003a)

Scholars have approached the conceptualization of civil-military relations into two groupings—relations within a democratic constitutional order and everywhere else.

As a result of this bifurcation, the study of civilian control has primarily been in the domain of democratic control. (Huntington 1957; Janowitz 1960; Feaver 2003b) Encumbering our understanding of civil-military institutions and the means to achieve civilian control in authoritarian systems is the normative paradigm of civilian supremacy. Leading this strain of literature is Huntington's (1957) *The Soldier and the State* which prescribed the best means in achieving civilian control of the military. According to Huntington (1957), objective control of the military was the best means to establish civilian supremacy. Objective control entails the enhancement of institutional autonomy and "professionalization" of the military. Specifically, objective control requires a strict separation of authority and spheres of responsibility between the military and the political domain. In contrast, subjective control "politicizes" the military by mobilizing the armed forces against domestic political opposition. **(**Brooks 2019, 8) Needless to say, Huntington's normative prescription for achieving civilian supremacy is difficult to apply to authoritarian systems because of the necessity to use violence to limit political contestation. Since authoritarian regimes typically narrow political participation through repression, the military is often drawn into politics to support the maintenance of the regime. Consequently, the dichotomy between a "professional" and "politicized" military often obscures the variations of civil-military relations in authoritarian systems.

In conceptualizing civil control in authoritarian systems, it has often been viewed as the absence of military intervention in politics—in other words, the lack of military coups and praetorian rule, or the low risk for such events. (Croissant et al. 2010, 954) The problem with this negative definition of civilian control is that it does not capture other nuanced forms of military influence that may be toxic to civilian rule. (Croissant 2011, 3)

As Desch (1999) points out, "Most people think about civil-military relations strictly in terms of coups: if there are coups, then civil-military relations are bad, and if not, they are good." (3) However, the absence of military intervention in politics inadequately measures positive civilian control. The armed forces may concurrently refrain from provocative actions to dismantle institutional norms, while not fully accepting their subordination to civilian authority. As Pion Berlin (1997) noted, "[Civilian] control is a demanding term that connotes much more than legal adherence…[it] depends on conviction—the notion that a professional soldier submits to a higher, political authority." (219)

Presuming the absence of positive civilian control, early studies of civil-military institutions in authoritarian systems focused primarily on the behavior of praetorian armies. Defining the concept of the praetorian state or praetorian army, Perlmutter (1969) described it as "one in which the military tends to intervene and potentially could dominate the political system." (383) He also introduced a taxonomy of civil-military relations in developing polities identifying two types of praetorian armies: the "arbitrator army" which seeks to influence politics from behind the scenes and the "ruler army" which exercises military rule for long periods. Furthermore, in examining the praetorian tendencies of militaries in developing countries, scholars have asked two questions: why do militaries intervene in politics and how do they govern? (Perlmutter 1969; Nordlinger 1977; Finer 1962; and Decalo 1990; Geddes 1999) More narrowly, earlier works identified the origin of military intervention in politics based on professionalization or lack thereof (Huntington 1957), sociological setting (Janowitz 1960), political culture (Finer 1962), military corporate interests (Nordlinger 1977), and individual ambitions of

officers. (Decalo 1990) Unfortunately, the praetorian predilections of non-western militaries led early scholars to understudy the mechanism for civilian control in authoritarian systems and the variation of civil-military institutional designs.

In the succeeding years, however, several scholars have advanced our understanding of civil-military institutions in authoritarian states. Regional scholars, specifically African and Middle East specialists, brought advances in identifying and defining variations in civilian control and the design of civil-military institutions. First, Kamrava (2000) identified three types of civil-military intuitional arrangements in the Middle East: 1) "autocratic officer-politician," these are regimes led by former officers turned civilian politicians, 2) "tribally independent monarchies," in which their armies are drawn mainly from tribal lines and pays allegiance to the monarchy, and 3) "dual militaries," these regimes enlist parallel military forces based on ideology in addition to the regular army. Rather than an explanatory typology, as the labels suggested, Kamrava's typology was descriptive in nature combining the type of ruler and a particular coup-proofing strategy. Next, drawing on the Middle East and North African experience, Bellin (2004) introduced the concept of "institutionalized military" and "patrimonial military." As defined by Bellin, institutionalized militaries are ruled bound and governed by clear sets of rules, established career paths, promotion based on merit, and strong links with society. In contrast, patrimonial militaries are not ruled bound, have no established career paths, promotion based on ideological, tribal and political allegiance, and weak links to society. Much like Huntington's objective and subjective control, Bellin's "institutionalized-patrimonial" dichotomy exposed itself to misuse by scholars who equated institutionalization with professionalism and patrimonialism with

politicization. Finally, Cook (2007) introduced the term military-dominated state based on the civil-military dynamics in Egypt, Algeria, and Turkey. Unlike a military dictatorship, the military enclave in these three countries oversee the development of a political system which allows for the appearance of pluralism (elected "civilian" leadership) but also incorporates key mechanisms for military oversight and political control. (15) His term, military-dominated state, while providing an important reference point, only captured a single type of civil-military institutional arrangement.

Scholars have inconsistently conceptualized, operationalized, and measured the variations in civil-military institutions and their impact on civil control. None of these classifications, taxonomies, and typologies allowed for a systematic and cumulative comparison of civil-military institutions. Multiple definitions and types have been introduced and applied. Some define the relationship through the lens of regime type focusing only on the ruler. Others evaluate the characteristics of the military such as the level of professionalization, institutionalization, and patrimony. Moreover, the criteria to evaluate these characteristics are difficult to measure as they are inadequately operationalized. Finally, the various military typologies and taxonomies drew on region-specific factors which may not translate to other locations. Without clearly defining, conceptualizing, and operationalizing the various civil-military institutional types, comparison across time, countries and regions is haphazard at best limiting the accumulation of knowledge. The typology introduced in this project aims to address these shortcomings in defining and conceptualizing the various types of civil-military institutional arrangements in authoritarian systems.

The Civil-Military Problematique in Authoritarian Systems

In terms of authoritarian system maintenance, the civil-military problematique translates into the paradox of establishing coercive organizations designed to support the incumbent, while preventing that organization from turning into a threat. (Bueno de Mesquita et al. 2005; Svolik 2012, 2013; Albrecht 2015) In further refining the elements of this paradox, Brooks (2019) described four competing imperatives the dictator confronts in civil-military relations:

> The first is a coup-prevention imperative, which involves ensuring that the military abstains from conspiracies against the regime. The second is a repression imperative, or guaranteeing that the military will use force against societal groups to protect the regime when required. The third imperative involves safeguarding military effectiveness, or ensuring the military performs well in armed conflict. The fourth might be termed a governance imperative. It relates to civilian or political control, but it represents a broader challenge: Autocrats seek not only to retain the authority to make decisions but also to ensure that the military does not compromise their preferred policy and resource-allocation outcomes. (12)

According to Brooks (2019), a dictator's main challenge is to balance all four imperatives; inevitably, there will be trade-offs in meeting the requirements of coup-prevention, repression, military effectiveness, and civil control.

The preponderance of the early literature on civil-military relations in authoritarian systems focused on military coup d'états. By definition, a coup d'état "consists of the infiltration of a small but critical segment of the state apparatus and its use in order to displace the government from control of the remainder." (Luttwak 1969, 11) The aim of a coup is to substitute one ruling group for another. The coup literature sought to identify the rationale and propensity for military intervention examining factors such as economic crises to military corporate grievances. (Luttwak 1969; Finer 1962;

Nordlinger 1977; Decalo 1990). Scholars, such as Svolik (2012), have started to explore the coup puzzle—given coups are costly to both the dictator and the military why do they even occur? Brooks (2019) suggested the application of the bargaining model of war might provide a framework to explain the coup puzzle. (5)

Going hand-in-hand with the coup literature, scholars also explored the coup-proofing imperative. (Quinlivan 1999; Kamrava 2000; Belkin and Schofer 2003, 2005; Cook 2007; Pilster and Böhmelt 2011; Powell 2012; Albrecht 2015a, 2015b) To minimize the inherent risk of overreliance on coercive violence, dictators generally employed coup-proofing strategies. As noted by Albrecht (2015a), some coup-proofing measures are designed to bind officers closer to the incumbent while others are designed to keep them out of the political sphere. Coup-proofing entails the altering of institutional arrangements between the dictator and the armed forces:

> includes the establishment of loyalties between officers and incumbents through ethnic, religious, and personal bonds; the recruitment of military personnel from among privileged minorities and mercenary soldiers; the counterbalancing of divided security apparatuses; the frequent rotation of officers to avoid the emergence of alternative power centers; and buying off the officer corps through economic privileges and opportunities for self-enrichment. The crafting of alliances with international powers, including the stationing of foreign troops, also helps to avoid coups since plotters would have to assume that status quo oriented foreign powers would stand by their allies. (Albrecht 2015a, 661)

Brooks (2019) observed recent scholarship treats coup-prevention tactics largely as a menu of interchangeable options from which dictators can choose. (5) Accordingly, the different composition of coup strategies may vary—some may aim to marginalize the military politically or alternatively, some may bestow the military with organizational benefits in a grand bargain (McLauchlin 2010; Brooks 2013, 2017, 2019) As a byproduct of the variation in coup-proofing strategies, the institutional arrangements between the

dictator and military also varies. For example, replacing political power incentives with economic incentives often keeps the armed forces out of politics but also increases the military's autonomy. (Albrecht 2015a, 41) While the coup-proofing literature provides insights into the relationship between the dictator and the armed forces, it only gives us one aspect of the dictator's civil-military imperative, narrowly defining the variation in civil-military configurations as strategies to limit the military threat.

Giving equal treatment to democratic and authoritarian civil-military relations, Desch (1999) explored the imperative of civil control employing a structural argument. He hypothesized that the international and domestic threat environment explains the degree of civilian control—it is easiest for civilians to control the military when they face primarily international threats and hardest when they face primarily domestic threats. (6) In other words, civilian control of the military is better when confronted with external threats and worse under internal threats to the state. With a high external threat, civilian leaders are more attentive to national security and civilian institutions are more cohesive because of the "rally 'round the flag" effect. (14) Alternatively, internal threats weaken civilian institutions making direct military intervention in politics more likely which subsequently impacts military cohesion and factionalization.[1] (15) While providing novel links between civilian control and threat environment, his structural explanation on why internal threats would be detrimental to civilian control were often contradictory. On one hand, he suggested that factionalization leads to more coup attempts, but on the other

[1] Desch (1999) suggested that it is easier to form a consensus among military members on matters of "high politics" and more difficult in matters of "low politics." Examples of "high politics" includes the protection of the institution and its core values; "low politics" includes economic development strategies and the nature of the political regime. (15)

hand, he noted military cohesion and coups success were highly correlated. Although a significant launching point in our understanding of civil control, his assumptions on military consensus building, military cohesion, and coups proclivity requires further investigation.

More recently, Svolik (2012) examined the prospects of civil control of the military and the origins of military intervention in authoritarian systems. The crux of the political problem involves the central role of the military in employing repression in authoritarian regimes. Once the military becomes indispensable in repression, they gain greater autonomy and resources, positioning it to intervene. According to Svolik (2012), "The military exploits this pivotal position by demanding greater institutional autonomy as well as a say in policy, and it threatens to intervene if the civilian leadership departs from a subsequent compromise on these issues." (765) Moreover, only under favorable conditions can regimes subordinate the military to political control—that is they do not depend on them for repression. He asserted coup-proofing measures are only effective when they are put in place before the military's political ascendency. (132) While providing insight to costly brinkmanship bargaining that leads to military coups and military dictatorship, Svolik (2012) omits the possibility of a reversal of dependency on the military. Authoritarian leaders often employ counter-balancing strategies, whereby they form or empower alternative security forces as leverage against the praetorian impulses of the military. Rather than just positing a situation where there are only competitors to the dictator for political power, his theory should also include competitors to the military. The addition of competitors will affect the bargaining position of the civilian leader vis-a-vis the military.

Brooks (2019) described four competing imperatives the dictator confronts in civil-military relations: coup-prevention, repression, military effectiveness, and civil control. One means to integrating these phenomena are to view the design of the civil-military institutions as a negotiation between political and military actors. The few studies on civilian control have not fully explored the balance of power between the dictator and the military nor explained the shifts in bargaining position due to structural and institutional changes. On one hand, structural changes can be the result of the transformation of the global system, the advent of new technologies, or large-scale social revolutions. On the other hand, institutional changes entail the strategic bargaining that occurs between the dictator and the military. This dissertation project aims to provide a coherent analytical framework to explain shifts in bargaining power and the impact on civil-military institutional designs.

To Defend, Defect, or Coup: Military Behavior during Regime Crisis

On the question of military institutional behavior during regime crisis, the literature on revolutions and resistance campaigns provides some cursory insights. (Skocpol 1979; Goldstone 1991; Goldstone et al. 1991; Ackerman 1994; Ackerman and DuVall 2000; Goodwin 2001; Schock 2005; Chenoweth and Stephan 2011) While these works noted the importance of military behavior in the outcome of revolutions, rebellions, and popular movements, they do not specifically explore the determinants of military strategic calculus to remain loyal, defect, or coup. Skocpol's (1979) classic study, *States and Social Revolutions*, is an insightful comparative analysis of the armed

forces of the old regimes during the French, Russian, and Chinese revolutions. She observed that there is no institution more important for a regime's survival than its armed forces and, therefore, maintaining the loyalty of those forces should be a priority for the ruling elite.

Chenoweth's and Stephan's (2011) recent book on violent and nonviolent campaigns, *Why Civil Resistance Works*, recognized the role of the military in determining campaign success. One factor in the success of nonviolent campaigns is that they induced a loyalty shift within the regime, specifically the military. Interestingly, through rigorous modeling and statistical analysis, they found that campaigns are most successful when they produce security force defections—increasingly the likelihood of success by nearly 60 percent. (58) In theory, nonviolent campaigns effectively use fraternization to win over the military which leads to defections.[2] While their work noted the importance of military defections, they do not specifically explore the determinants of military strategic calculus to remain loyal or defect. Their work focused on the strategies and tactics of the campaigns and the impact on success.

In his book, *Defect or Defend*, Terence Lee (2014) examined how and under what conditions the armed forces will defect from autocratic rule when popular protests erupt leveraging cases from Asia—China, Burma, The Philippines, and Indonesia. (5) Underpinning his argument is the variation of authoritarian institutions which leads to regime stability or fragility when popular protests surface. According to Lee (2014), authoritarian regimes draw on different segments of society for political support leading

[2] The term defection typically refers "to the decision by senior military leaders to abstain from using force to disperse mass unarmed protests that threaten a regime." (Brooks 2019, 6)

to different decision making procedures—one which is either highly personalistic or one which accommodates "rule by sharing." Highly personalistic authoritarian regimes causes disaffection within the armed forces and are more likely to defect. In contrast, the military is less likely to defect in nonpersonalistic authoritarian regimes with "rule by sharing." In power-sharing arrangements, the armed forces have a stake in decision making and are more committed to joint rule. (Lee 2014, 5-6) While Lee's work is steeped in the authoritarian power-sharing and credibility literature, he does not connect his findings to the broader civil-military literature on coup-prevention, repression, and civil control. Moreover, Lee's study overlooked the variation in strategies for civil control which may have conditioned the military's strategic calculus in supporting the ruling regime. Interestingly, the literature from the Arab Spring uprising would come to different conclusions regarding the cause of military defection.

The Arab Spring inspired several scholars to investigate the surprising number of military defections during the mass wave of resistance campaigns. (Albrecht 2015a, 2015b; Albrecht and Ohl 2016; Barany 2011, 2013, 2016; Brooks 2013, 2017; Frisch 2013; Kandil 2014; Lutterbeck 2013) Surveying the Arab Spring literature, scholars analyzed an array of causal variables to explain defection from the characteristics of the military to regime coup-proofing measures. For example, Lutterbeck (2013) noted that while the armed forces have been key actors in the Arab uprisings, they have responded quite differently to the prodemocracy movement—"ranging from openness to protest movements, to internal fracturing, to firm support for the regime in power." (28) Reprising Bellin's (2004) "institutionalized-patrimonial" dichotomy, he claimed that the degree of institutionalization of the armed forces and their relationship to society at large

can account for the divergent responses to pro-reform movements. (28) As such, armies that are more institutionalized (not patrimonial) and have closer ties with society (conscription) were more apt to support the opposition movement. He suggested that the distinction between armies based on mandatory conscription as oppose to volunteers explains military loyalty and defection during uprisings. Although Lutterbeck intended to demonstrate that the levels of institutionalization (and conscription) of the armed forces encouraged defection, case selection was problematic. As the highly institutionalized militaries (Tunisia and Egypt) did not confront an extreme sectarian or tribal divide within the population as compared to the patrimonial militaries selected in the study (Bahrain and Libya). Moreover, because of the troublesome demographics and sectarian nature of political contestation some countries are more likely to use conscription while others will not. The regimes choice to conscript or not conscript based on the country demographics complicates the causal direction of his findings. Next example, Albrecht (2015a) leveraged coup-proofing theories to understand the variation in response to the Arab uprisings. He distinguished between two rationales underlying coup-proofing: measures designed to bind officers closer to incumbents (integration) and measures to move the officer corps out of the political arena (segregation). He assumed that during times of systemic regime crisis, such as the Arab Spring, integration coup-proofing is more effective than segregation in maintaining the loyalty of officers. "Repression of uprisings is risky and potentially costly; and the loyalty of military officers is guaranteed only if coup-proofing measures have been designed to tie them to the incumbent." (41) While making links to coup-proofing and the resulting civil-military institutional arrangements, his explanation does not consider the reputational and

credibility cost incurred by the dictator in employing coup-prevention strategies. While these studies have provided initial insight into military behavior during the Arab Spring, they lacked a common conceptual framework to reconcile the numerous findings.

Finally, Barany's (2014) took a positive step in answering the question "how and why do militaries respond the way they do to popular upheavals challenging regime survival?" (5) He examined the military's response to what the top brass may perceive as a threat to the stability and survival of the regime. (7) He enumerated a number of factors that may go into a general's reaction to any revolution and compared these factors across countries swept up in a popular uprising (Iran in 1979, Burma in 1988 and 2007, China and Eastern Europe in 1989, and finally the Arab Spring countries in 2011). This checklist of factors encompassed four spheres: the military, the state, the society, and external environment. Although these factors delivered a strong forecasting tool to predict military behavior, the study offered no explanation into the trajectory of regime or changes to the civil-military institutional arrangements following the crisis. Barany limited the scope of his study to forecasting military behavior at the initiation of an uprising.

Lee (2014), Lutterbeck (2013), Albrecht (2015a) and Barany (2014) illuminated and highlighted potential causal mechanisms involved in the army's decisions to defend or defect. However, none of these authors considered defection within a larger framework of bargaining and competing civil-military imperatives for the dictator. Although these studies suggested the link between the regime and the armed forces is critical in the decision to defend, their conceptualization of the civil-military relationship, rendered it difficult to draw comparisons.

Surveying the existing body of work on civil control, repression, and defection, few works have comprehensively conceptualized the complexities of authoritarian civil–military relations. Brooks (2019) identified the unwarranted divide across the civil-military relations subfield which treat the four competing imperative as distinct phenomenon:

> Presently, defections, coups, and civilian control are analyzed as largely separate phenomena—as distinct problems that must be resolved by political leaders. Yet, that approach misrepresents the multidimensionality of autocratic civil–military relations. Political leaders do not choose which of these problems to address; they must deal with them all, simultaneously. (12)

As a result of this divide, the civil-military relations subfield has not found a means of integrating and synthesizing the multiple disparate finding for each of the competing imperatives. Also limiting our understanding, scholars have not fully identified the broader strategic logic that underpins the political bargain between the civilian leader and the armed forces. Arguably, the existing power differential between civilian and military elites impact the design of civil-military institutional arrangements. Moreover, the field has not agreed upon a common definition, conceptualization, or classification of the various civil-military institutional arrangements in authoritarian systems—making comparisons across time, countries and regions difficult. Consequently, the study of civil-military relations has suffered from the lack of knowledge accumulation. This project aims to solves some of these shortcomings by developing conceptual tools and a framework to integrate these competing imperatives.

Theory and Methodology

The underwhelming knowledge accumulation in this research area is due in part to insufficient concept development regarding institutional variations of civil-military relations around the world. As Sartori (1970) lamented on concept development "the wider the world under investigation, the more we need conceptual tools that are able to travel. It is equally clear that the pre-1950 vocabulary of politics was not devised for worldwide, cross-area travelling." (1034) Consequently, Sartori (1970) challenged scholars to devote careful attention to concepts because they yield the basic "data containers" employed in research. (1052) For the most part, the social science community has undertaken the challenge to provide conceptual tools for many institutions that make up political life. However, the study of civil-military institutions has lagged behind. As such this project will first define, conceptualize, and operationalize the various civil-military institutional configurations within authoritarian systems.

The theory of the firm explains the contractual relationship between the authoritarian incumbent and the armed forces which establishes a master-servant relationship, or hierarchy. Based on the economic literature of the firm (hierarchical governance), I develop a civil-military institutional typology. The firm literature is steeped in the new institutional economics (NIE) which focused on the social norms, legal norms, and institutions (rules) that underlie economic transactions. (Williamson 1979, 1981, 1996) In part, NIE leverages rational choice tools.

Additionally, I employ a typology to capture the dimension of the civil-military institutional framework. A well-established analytic tool in the social sciences, a typology is defined as an organized system of types for analyzing data. (Collier et al. 2012, 217) The analytical advantages of using a typology are threefold: 1) the ability to

form and refine concepts drawing out underlying dimensions, 2) the creation of categories for classification and measurement, and 3) tracking change. In this study, the typology of civil-military relations denotes the configuration of civil-military institutions and captures the bargaining power of civilian and political actors. This configuration and bargaining position, informs the military's decision to defend, defect, or coup during a crisis event. However, there is the potential danger in reification when capturing the theory in an explanatory typology and labeling the cells. "In the context of an explanatory typology, reification occurs when a case is 'explained' because one attaches a name to it, not because a theory that one has deemed valid is seen as being applicable to it." (Elman 2005, 317) As Elman (2005) warned "labeling runs the risk of the cells ceasing to be regarded as 'containers' of predictions made by the underlying theory…labels become freestanding 'explanations'…rather than the theory from which the property space was derived." (317)

Next, I define the cycle of repression which captures the various stages in the life-cycle of the political contract between the regime and the armed forces. The cycle of repression provides insights into changes in the civil-military institutional configuration before and after a crisis event. The value of the cycle of repression is that it integrates the phenomena of defections, coups, and mechanisms of civilian control into a coherent framework. In conjunction with the cycle of repression, I also develop a military decision model, or decision matrix, which amplifies the bargaining process, and alternatively failures of repression.

Finally, I apply the typology, cycle of repression, and decision model to a small-*n* intraregional study. Since the aims of this dissertation is theory generation rather than

theory testing, case studies provide an analytical narrative to go with the typology and theoretical model. When employing rational-choice models and game theoretic models, analytical narratives assist in extracting empirically testable, general hypotheses from particular cases to explain strategic decision making. (Bates et al. 1998) In short, through a small-*n* case study, I apply empirical evidence to illustrate the validity of the cycle of repression. I also leverage process tracing to demonstrate shifts in bargaining power of the various political actors and the impact to institutional configurations.

I've selected four cases studies from Asia—China, the Philippines, Indonesia, and Burma—to provide an analytical narrative to evaluate my theory (Table 1). Facilitating comparison, these contemporary Asian cases showed variation in civil-military arrangements, experienced notable crisis events resulting in different military behavior and outcomes. In addition to being in the same region, all four countries have similar histories of imperial or colonial control, military experience fighting Japanese occupiers during WWII, and finally receiving statehood shortly after the war. Each country experienced an abbreviated history of post-independence state-building with their civilian and military elites confronting similar challenges in forming stable governments, addressing political instability, and eliminating threats to the state. Moreover, these cases are interesting to compare because they illustrate the different trajectories in the development of standing armies and their relationship with civilian political leaders. Therefore, these cases lend themselves to testing whether the existing power differential between civilian and military elites and the threat environment following independence have an impact on the design of civil-military institutional arrangements. Finally, each case represents an army type developed in this project (cadre, patron, entrepreneur, and

cartel armies). Because I am introducing a new typology, I selected these cases since they clearly illustrated the different types as well as the change in bargaining power between civil and military elites over the period examined.

Table 1. Case Studies

Country	**Army Type**	**Crisis Event**	**Decision**
China	Cadre	1989 Tiananmen Square Protest	Defend
The Philippines	Patron	1986 People Power Movement	Defect
Indonesia	Entrepreneur	1965 The 30 September Movement	Coup
Burma	Cartel	2007 Saffron Revolution	Defend

One of my research questions centers on military behavior during regime crisis and discovering the factors conditioning a military's decision to defend, defect, or coup. In each case selected, the ruling regime confronted a crisis event (popular uprisings, civil wars, insurrections, insurgencies, and the like) requiring military repression to support the maintenance of the regime. In the Philippines, the military defected from the Marcos regime refusing to fire on protestors and mutineers during the 1986 People Power Movement; in China and Burma, the armed forces remained loyal and quelled protesters during the 1989 Tiananmen Square Protest and 2007 Saffron Revolution, respectively; and finally, instead of supporting Sukarno during escalating student protests following the 1965 failed coup attempt, the army decided to take over the government. These variations of outcome allow for the evaluation of the typology and the cycle of repression.

In testing the cycle of repression, there is an inherent selection bias related to limiting the cases to those with dramatic crisis events requiring the application of military repression. While opportunistic behavior at the margins may gradually alter institutions,

these changes are often imperceptible. Crisis often spurs dramatic departures in policy which have been characterized by stasis or incrementalism in the past. As a consequence, the effects of punctuated equilibrium are often easier to observe and measure.[3] In the cycle of repression, a crisis event provides actors an opportunity to dramatically restructure the governing arrangements of the civil-military pact. However, the application of military repression for regime maintenance often favors the military vis-à-vis civilian leaders. Alternatively, this would suggest that gradual shifts in civil-military institutional arrangements that may favor civilian leaders would take longer to register as change and would therefore be understudied as a phenomenon.

Outline of the Dissertation

Following this introduction and review of the applicable civil-military literature, chapter 2 expands on the dissertation's theoretical argument. To this end, I review the literature on the economics of firms which establishes the theoretical underpinning for understanding political actors' use of hierarchical governance in the design of public institutions and organizations. The basis for hierarchical governance is due in part to the incompleteness of contracts which makes political actors vulnerable to opportunism. Hierarchical governance allows actors to mutually invest in the contractual relationship,

[3] Punctuated-equilibrium theory seeks to explain why political processes are generally characterized by stability and incrementalism, but occasionally they produce large-scale departures from the past. Stasis, rather than crisis, typically characterizes most policy areas, but crises do occur. (Baumgartner et al. 2014, 59)

thereby enhancing credible commitment. I next discuss the difference between economic and political transactions—exploring political property rights, political uncertainty, third party enforcement, and credible commitment. These differences shape the design of political institutions that govern transactions as actors seek to limit their exposure to political uncertainty. Based on these design considerations, I subsequently develop a typology for civil-military institutions. Finally, I introduce the cycle of repression which explores the shift in civil-military institutional designs during and after a crisis event.

Chapters 3 through 6 examine the four case studies which illustrate the typology of civil-military relations and the cycle of repression. Chapter 3 introduces the cadre army examining the relationship between the Chinese Communist Party (CCP) and the People's Liberation Army (PLA) through the events surrounding the 1989 Tiananmen Square protests. In a cadre army configuration, the military is most likely to remain loyal to civilian masters because there are credible guarantees of the political bargain. Next, Chapter 4 introduces the patron army. A quintessential patron army, I selected President Ferdinand Marcos and his relationship with the Armed Forces of the Philippines. Specifically, I trace the events leading up to the 1986 People Power Movement. Since patron army configurations do not have institutions which credibly secure political transactions, opportunism and the lack of credibility of civilian leaders can lead to military defections. Chapter 5 introduces the entrepreneur army. For this army type, I explore the relationship between President Sukarno and the Indonesian Armed Forces. The opportunistic behavior of both actors is one factor leading to the military coup in 1965. Because the military had gained significant political power through repression, it eventually transitioned to a cartel army when General Suharto and his generals removed

Sukarno from office. Finally, chapter 6 introduces the cartel army. In this chapter, I examine the multiple cycles of repression experienced in Burma since independence which resulted in a dominant military. My analysis specifically focuses on the 2007 Saffron Revolution which later prompted the Burma Armed Forces (Tatmadaw) to begin reforms and return to "civilian" rule. However, because of military supremacy, to this day, the Tatmadaw continues to control the structure and pace of liberal reforms.

Finally, in my concluding chapter, I summarize my findings, explore the generalizability of my theory, and offer some thoughts on the explanatory power of the cycle of repression and the impact on civilian control of the military. Moreover, I examine the implications of civil-military institutional arrangements on the political trajectory of a regime. When institutional arrangements favor the military, civilian elites will have trouble reasserting control. Consequently, military supremacy, or the lack of civil control of the military, is the largest obstacle to liberalization and democratization. In short, I expand on the central role military actors have on regime maintenance, transitions, and democratization. I then end the discussion with suggestions for future research.

CHAPTER 2

POLITICAL FIRMS AND CIVIL-MILITARY INSTITUTIONS

Theory of the Firm

> *In 1914, the daily wage at Ford Motor Company was roughly $2.34. Ford was in the process of replacing a large number of skilled craftsmen with unskilled assembly line workers. These workers had low morale and low commitment to the firm. In that year, Ford announced that wages would go up to $5 a day. This was a huge gamble on Ford's part, since the resulting increase in labor costs would eat up half the firm's expected profits in the coming year. The explicit reason for taking this gamble was to increase the authority of Ford Motor Company to enforce higher productivity standards on individual work, without simply increasing turnover.* (Miller 1992, 68)

When Henry Ford innovated the auto industry by going from individually skilled craftsman to unskilled assembly line of workers, he also transformed the labor market from one that was competitive and voluntaristic to one in which employment at Ford Motor Company meant a long-term commitment to a hierarchical system of political authority. (Miller 1992, 11) The classic form of hierarchy is established "when actor A agrees to allow actor B to direct his behavior within rather broad limits, B agrees to compensated him, and both agree to a set of rules governing their future interaction." (Moe 1995, 119) Upon signing an employment contract with Ford, employees found themselves in a political institution. The $5 wage contract between Ford Motor Company and labor created a monopoly over the labor market rendering exit costly for the employee.

As Henry Ford recognized voluntaristic labor markets no longer fit innovations of mass production, the king also needed to adapt to changes in warfare. How do you get "men" to loyally pay the ultimate sacrifice? "In times of war, indeed, the managers of

full-fledged states often commissioned, privateers, hired sometimes bandits to raid their enemies, and encouraged their regular troops to take booty." (Tilly 1985, 173) As warfare became more lethal and technologically advanced, contracting mercenaries with questionable commitment was a liability on the battlefield. An effective military organization required a specialized workforce with high morale and commitment. Kings could no longer rely on inefficient practices of contracting individual soldiers and nobles to successfully fight wars. The solution—kings created mass armies, a hierarchical organization, to gain economies of scale and comparative advantage. Long-term contracts would encourage professional soldiers to commit to the goals of the organization and invest in specializing in all-aspects of warfare. A contractual agreement of negotiated property rights and various incentive structures would facilitate compliance and lower the monitoring cost for the king. Much like the political authority Ford created by the $5 wage contract, states and armies entered into a long-term contract to establish this hierarchal order where the king, enjoyed the privileged position of authority over soldiers.

The literature on organization theory, specifically the economics of firms, is useful in understanding the contractual relationship between the state and the army. In his seminal work, Coase (1937) contended, the essence of the firm is structuring long-term contractual relations which establishes a "master-servant," hierarchical relationship. Coase first posed the question: why are some activities directed by market forces while others by firms? He speculated that entrepreneurs will organize as firms when the transaction cost of doing so is lower than the cost of using the market. In other words,

firms partake of "political" authority to impose solutions without the inefficiencies of constant bargaining among participants, thereby lowering transaction costs.

If actors can impose political authority on other actors, thereby lowering inefficiencies, why not govern all transactions within a firm? Williamson (1975, 1985, 1996, 2002) further elaborated on the boundaries of the firm—exploring why some transactions take place within firms while others in the marketplace. According to Williamson, the choice of governance structure—market, firm or somewhere in between—is based on the attributes of the transaction. The critical attributes being frequency of the transaction, uncertainty, and asset specificity. In the science of contracts, as Williamson (2002) argued, "all complex contracts are unavoidably incomplete." (174) Because of uncertainty and incompleteness of the original contract, parties will confront the need to adapt to unanticipated disturbance that may arise. This uncertainty poses adaptive needs.

As Williamson (1996) speculated, "incomplete contracting in its entirety" implicates both ex ante incentive alignment and ex post administration, or governance. (26) Additionally, asset specificity, the degree to which an asset can be used across multiple situations and purposes, generates what Williamson (2002) described as bilateral dependency. Bilateral dependency occurs when buyers cannot easily turn to alternative sources of supply; while suppliers can only redeploy the specialized asset to the next best use or buyer without a loss of productive value. (Williamson 2002, 176) An example of the relationship between asset specificity and bilateral dependency is explored in the following passage:

> …a worker who becomes highly skilled over time at an idiosyncratic but important job. The worker's asset specificity makes him more valuable to his employer, but also more dependent on him for there is little market on the outside for his company-specific skills. Similarly, the employer becomes more dependent on the worker because he cannot turn to the market for an equally valuable replacement at the same wage. As their mutual dependence grows, their contractual options narrow. (Moe 1995, 123)

Bilateral dependency makes actors to the contract vulnerable, as such, they will enter into hierarchical governance structures to mitigate conflict and realize mutual gain. (Williamson 2002) In other words, governance by firm is favored as asset specificity and market uncertainty increases.

Further compounding the trouble of incompleteness of contracts is Williamson's concept of opportunism coupled with bounded rationality. (47) Opportunism refers to "the incomplete or distorted disclosure of information, especially to calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse." (Williamson 1985, 47) This self-interesting seeking attribute is variously described as opportunism, moral hazard, and agency. Williamson adhered to Simon's notion of bounded rationality, acknowledging that humans' cognitive competence is limited: "it's only because individual human beings are limited in knowledge, foresight, skill, and time that organizations are useful investment for achievement of human purpose." (Simon 1957, 199; Williamson 1985, 56) Therefore, human beings are only as rational given the information and cognitive ability they have available to them. Williamson contended in a world of bounded rationality and opportunism, actors cannot be assumed to keep their promises or fulfill their contractual obligations. "Transactions that are subject to ex post opportunism will benefit if appropriate safeguards can be devised ex ante." (Williamson 1985, 48) As a

consequence, the task of economic organization is to "organize transactions so as to economize on bounded rationality while simultaneously safeguarding them against the hazards of opportunism." (Williamson 1985, 32) Going hand-in-hand with opportunism is the need to safeguard the contractual obligation in the form of credible commitments. Credible commitments involve reciprocal acts designed to protect a relationship in the "form of irreversible specialized investments undertaken in support of alliances and to promote exchange." (Williamson 1985, 167) When dealing with specialized assets the post-contractual opportunistic behavior problem is more prevalent so there is more need for vertical integration, or hierarchical governance.

Exploring the boundaries of the firm, some economist viewed the firm as a set of property rights. (Grossman and Hart 1986; Hart 1988; Hart and Moore 1988; Miller 1999) Building on the work of Coase and Williamson on transaction costs and incompleteness of contracts, these scholars explored the ownership of assets and the impact on vertical integration. Grossman and Hart (1986) defined the firm in terms of ownership of assets and the determinants of resource allocation. To establish clearly delineated hierarchies, the firm develops formal and informal rules for defining property rights which determines resource allocations within the organization. These institutional arrangements, or rules, determines who gets what, when, and how. In short, those with the preponderance of property rights, or ownership, impacts who gets to decide. Recognizing the impossibility of writing a comprehensive, long-term contract to govern all terms and asset usage in a relationship, they concluded asset ownership and ex post residual rights matter. When aspects of usage of assets are not specified, the right to decide lies with the owner of the asset. An important implication of residuals ownership

is the ability to exclude people from the use of assets. For example, highly specialized workers cannot do their job without access to specialized equipment. The upshot, this control over assets translated into authority over people. (Hart and Moore 1990) They also concluded, ex post residual rights of control not only influenced asset usage but the division of ex post surplus and ultimately ex post bargaining power in the relationship.

Moreover, Miller (1999) examined principal-agent relations as a contractual agreement of negotiated property rights and various incentive structures that would facilitate compliance and lower the monitoring cost for owners. He found that firms are more efficient and profitable when it can guarantee employees a secure property right binding the long-term mutual commitment.

> Security in these property rights can give employees reason to make investments of time, energy, and social relationships that produce economic growth. Moreover, hierarchies, unlike markets, institutionalize long-term mutual commitments that make it easy to trade off social acceptance and esteem against wealth. (Miller 1999, 9)

Firms that are most successful at encouraging higher levels of commitment and non-monitored effort from subordinates have effectively reallocated to employees some of the property rights to the assets owned by the firm, creating a sense of what is significantly called employee ownership. Thus, organizations where the owner can inspire subordinates to transcend short-term self-interests will have a competitive advantage.

Bringing these concepts back to civil-military institutional arrangements and the need for vertical integration, the high degree of uncertainty in political conflict, asset specificity, and adaptive needs required binding the long-term mutual commitment between the king and the military. As Clausewitz famously penned, war is a continuation of politics through other means. The answer to advances in warfare required the state to

gain full ownership and control over all aspects of the production of violence. If the king did not vertically integrate the suppliers of violence, he would fail to monopolize the legitimate use of force. As Tilly (1985) suggested the activity of producing and controlling violence favored monopoly because competition within that domain generally raised costs, instead of lowering them. (175) Moreover, innovations in warfare favored vertical integration because investing in both physical and human assets created a bilateral dependency between the state and the military. The king needs the military to establish a monopoly of force over a fixed, defined territorial boundary, while the military needs the resources of the state to train, organize, and equip. The king depends on the expertise of the military to manage and operate highly specialized assets, while the military needs access and usage of specialized assets. As Williamson would concede, this bilateral dependency increases the threat of opportunistic behavior from both parties. Consequently, over time the king and the army agreed to enter into a contractual agreement establishing hierarchical governance to limit the vulnerability of bilateral dependency. Armies willingly submitted to this political authority because they realized they were better off in an organization that had the power to impose a hierarchy over the entire group.

The Nature of Political Transactions

> *Individuals have to make choices about where to invest and make the best use of their property, and their choices are shaped by transaction costs, uncertainty, and asset specificity. But suppose their property rights were not guaranteed. Suppose, in particular, that the struggle for economic advantage were to take place within a framework in which some actors occasionally succeeded in*

> *usurping the property rights of others. Economic actors would be concern with more than simply making efficient choice about the use and disposition of the property. They would also be concerned with taking action to protect their rights from usurpation—and with making current choices and adjust for the possibility that other actors might seize their rights to the property in the future. (Moe 1995, 123)*

The prevailing economic explanation for the emergence of firms is that establishing vertical integration or hierarchy reduces transaction costs and therefore is more efficient than the market. Actors voluntarily negotiate the rules for governing relationships among them to constrain and coordinate their behavior with organizational efficiency in mind. While reducing transaction costs maybe a beneficial effect, political organizations, however, are not necessarily structured for efficiency. Why is this the case? First and foremost, political transactions occur under a pre-existing hierarchy, or sovereign, that attaches public authority to certain political roles. (Moe 1995, 120) Under this existing hierarchy, the sovereign acts as the de facto final enforcer of specific sets of rights-claims within its purview. (Salter 2015c, 2) One implication is that political actors, to include the sovereign, often engage in transactions that impose obligations on third parties to which they may not consent. (Salter 2015c, 5) In other words, those wielding public authority have the power to impose obligations on society. As Moe concluded, "politics is the struggle to control how this public authority will be exercised." (Moe 1995, 121) A byproduct of this political struggle is the bargaining among political actors on the rules structuring public organizations, or political firms. As such, political firms are not designed with efficiency in mind, but with the intent to safeguard office holders and interest groups' continued access to public authority. Deploying economic theory to understanding political organizations is therefore not a straightforward application. To

borrow from the work of Coase, Williamson, and others, requires identifying the difference between economic and political transactions effecting actors' decisions and the impact on organizational and institutional design outcomes. The features differentiating economic and political transactions are twofold: 1) the nature of political property rights and the corresponding political uncertainty attached to public authority; and 2) the absence of third-party enforcement and the impact on credible commitments.

Political Property Rights and Uncertainty

Economic transactions require actors to own the assets in the exchange. Furthermore, economic organizations arise out of voluntary contractual agreements among individuals whose property rights to engage in such transactions are guaranteed. As traditionally conceptualized, property rights are the privileges conferred by owning specific assets which are usually guaranteed through the legal system. As defined by Libecap (1989):

> Property rights are social institutions that define or delimit the range of privileges granted to specific assets, such as land or water. Private ownership of the assets may involve a variety of rights, including the right to exclude nonowners from access, the right to appropriate the stream of rents from use of and investment in the resource, and the right to sell or otherwise transfer the resource to others. Property rights institutions range from an arrangement, including constitutional provisions, statutes, and judicial rules, to informal conventions and customs regarding the allocation and use of property. (1)

Political transactions, on the other hand, involve actors whose property rights, or political property rights, are not cast-iron. Salter (2015c) defined political property rights as that which allots "an individual, or group of individuals, the right to participate in political decision making, and any claim to the revenues generated therefrom." In other words,

political property right gives the owner the right to exercise public authority which are conditionally bestowed upon those holding formal and informal political roles. As further conceptualized by Moe (1995):

> The right to exercise public authority can be thought of as a property right of sorts. These rights are used, formally by politicians and informally by interest groups that influence them, to make choices about policy and the structure of government. No set of individuals, however, has a perpetual claim on these rights. (124)

Political leaders, who wield public authority have unique and valuable political property rights by virtue of their position within the government. While they are the holders of these political property rights, they are granted the entitlement to impose decisions on society and access to governance rents. Unlike economic property rights, as we usually conceptualize them, political property rights are largely informal, are often inadequately defined and delineated. They cannot be traded or sold and they can be dispossessed once the holder leaves public office. Because of the ephemeral nature and inherently fluid boundary of these ill-defined, poorly delineated political property rights, political transactions take place under a high degree of political uncertainty.

Third Party Enforcement and Credible Commitment

The political uncertainty of securing political property rights weighs heavily on the decision calculus of political actors. In binding, enforcing, and monitoring political bargains, political actors confront several obstacles. First, as discussed earlier those holding political property rights are not guaranteed access to these rights in the future. Complicating the entitlement, proprietors of political property rights often find their privileges and claims to the attached governance rents are in conflict with other actors.

When the actual holder of political property rights becomes unclear, agents are also less likely to uphold contractual obligations. Therefore, ex post opportunistic behavior is more likely when political property rights are contested. Second, political transactions lack third-party enforcement. Economic organizations have the luxury of focusing on transaction costs and asset specificity because there is an inherent assumption that a third-party enforcer, the sovereign, will provide a legal framework to guarantee property rights and enforce contracts. With a legal framework in place, individual actors can then focus their efforts on employing their property and assets on the most efficient uses. Political transactions lack such a foundation. Furthermore, political transactions occur under a pre-existing hierarchy, a sovereign, which acts as final enforcer of political bargains. Since one party to the political bargain may be the sovereign, there is no neutral third-party to enforce promises and guarantee rights. As a consequence, the sovereign cannot credibly commit to following through on agreements. Where property rights and rights claims cannot be guaranteed the classic economic question rises. How do you tie the king's hands? Root (1989) depicts the credibility shortfall of the Monarch of France's Old Regime:

> Because the king claimed full discretion, he had less real power. Claiming to be above the law in fiscal matters made it more difficult for the king to find partners for trade. Creditors took into account the king's reputation for repudiating debts and therefore demanded higher interest rates than otherwise would have been needed to elicit loans. (259)

This political reality is further intensified in authoritarian regimes, where there is weak rule of law and a lack of institutional checks and balances such as judicial independence. Like the French Monarch, a dictator faces the political problem of committing to actions contrary to his or her self-interest. Without a reliable third-party

enforcer to provide a legal framework to secure contracts and property rights, opportunistic behavior becomes more prevalent. Under these precarious conditions, political contracts must be must be self-enforcing; in other words, the agreement must be in each actor's self-interest to uphold. In short, parties to political transactions must obtain mutually binding agreements to ensure credible commitment. A self-enforcing agreement is one in which if "one party violates the terms the only recourse of the other is to terminate the agreement." (Williamson 1985, 168) Salter (2015a) provided an example of institutional designs to curb the king's opportunism in the taxation of subjects:

> The king's ideal strategy would be to convince his subjects that taxes will be low and stable, to incentivize a high level of production. But this would change the king's strategy after his subjects have produced many goods and services; predation, in the form of a higher-than-promised tax rate, is now preferable. Subjects recognize the king's promise is incredible, and so produce at near-subsistence, leaving little to nothing for the king to tax. This sets up the possibility of a mutually-beneficial exchange in authority between the king and his council. Initially, the council's role is purely advisory, with no formal power. But the king can bargain with the council to grant them the right of veto to the king's tax plan. The increased political power is obviously desirable to the council, as a protection against arbitrary taxation by the king. The decreased political power too is beneficial for the king, since it allows him to credibly commit to lower and more predictable tax rates. Subjects respond by producing more, which benefits the king, because he is getting more revenue at the lower and predictable rate, since the expansion of the tax base more than makes up for the lower tax rate. All parties are better off under this scenario, even though subjects had no say in the bargain, to which only the king and nobles were party. (11)

In the above scenario describing the rise of Western liberal democracy from the feudal order, the king instituted rules to share public authority by giving the council veto power over the king's taxation plan. By constructing reciprocal acts, these new institutional arrangements credibly tied the hands of the king. In short, ex ante institutional designs

created mutually binding incentives for political actors to counteract ex post vulnerabilities to opportunism.

Designing Civil-Military Institutions in Authoritarian Regimes

As discussed earlier, a monopoly of violence is best obtained through hierarchical governance and vertically integrating the management and operation of violence under the sovereign. Given the need for vertical integration, how do civilian and military actors negotiate the institutional arrangements of their relationship? What is each actor's goal and incentives to make and keep their agreements? The only way to be able to make the "rules of the game" and design institutions that protect your interests is to be an owner of political property rights—to be a decision-maker with the ability to wield public authority. As Grossman and Hart (1990) suggested in mergers of firms, the actor with the preponderance of assets, or ownership, will be at the top of the hierarchy. They will control the decision making and the institutional rules. This is especially true in the design of civil-military institutional arrangements. Depending upon which political actor, civilian or military, has the majority of ownership rights, that actor will be positioned to dictate the governance structure of the relationship. The balance of power between civilian authorities and the armed forces determines the contractually agreed upon institutional framework and ultimately the level of control gained and maintained by each actor. As a consequence of the balance of power, there exists a variation in civil-military relations. Some militaries are highly autonomous from the dictator while others are less so. Some militaries are influential political actors while others stay in the barracks.

While there is a degree of path dependence involved in the relationship, changes in the political environment and actor opportunism can shift arrangements over time. Since political property rights can be contested and dispossessed, the right to decide can shift to other actors. These shifts indubitably impact each actor's bargaining position in the contractual relationship.

The primary objective of political actors negotiating civil-military institutional arrangements is the protection of their political property right claims and continued access to those claims. Given the obstacle of securing political property right and enforcing those rights each actor will lobby for institutional designs to minimize their exposure to political uncertainty. The more uncertainty the holders of political rights perceive, the more they consciously impose structures that undermine a political organizations performance. As Moe (1995) suggested "the most fundamental task for political actors is to create governance structures that protect their public organization from control by opponents." (125) Moreover, once a public organization is created, that agency's officials become political actors in their own right—they become new players whose interests and resources alter the political game. (143) Moe (1995) describes the "selfish" ends that bureaucrats may pursue which may be incongruent with their formal mission. To this "self-interesting seeking end," bureaucrats act to shield themselves from political uncertainty through negotiation or insulation. (144) While both civilian and military political actors will seek to insulate themselves from political uncertainty, each actor, differs in their design preferences to achieve this objective. Civilian leaders design institutions to increase their likelihood of maintaining office and their continued ability to wield public authority. For instance, they may seek to limit contestation by designing

favorable electoral rules or through direct repression. Military political actors, on the other hand, tailor institutions to increase their autonomy from civilian authorities. In essence, the generals want to operate in the same fashion no matter who's holding office.

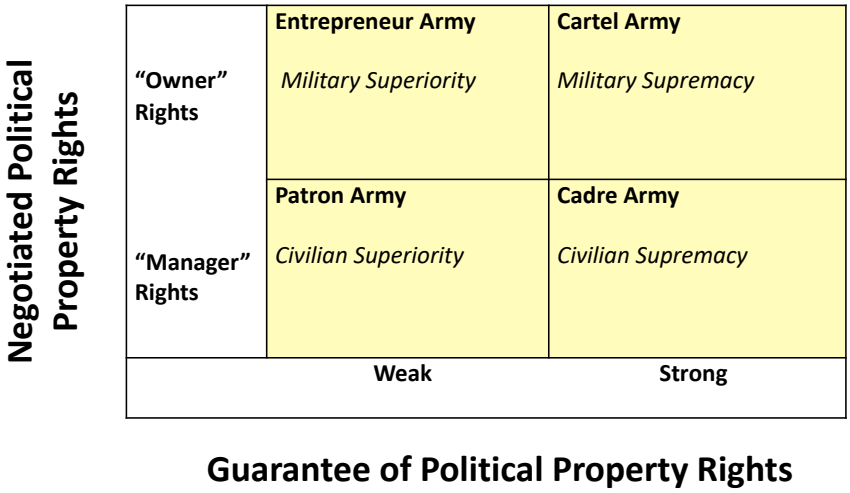
Because authoritarian systems lack an independent authority to enforce political property rights and compliance, the final arbiter of political conflict is violence. Authoritarian regimes reliance on coercive violence makes it near impossible for the armed forces to completely insulate itself from politics. Instead, the military seeks to minimize the impact of political uncertainty through negotiated expansion of its professional autonomy and management over the security domain. The expansion of autonomy translates to more political authority or an increase in specific political property rights attached to the security domain. However, the more the dictator relies on the military for repression to stay in office, the more negotiated political property obtained by the military with political authority going beyond the security sphere. As Svolik (2012) observed, this dependence on coercive violence entails a paradox for the dictator since the agents empowered to manage violence are also empowered to act against the regime. Recognizing the threat military elites pose due to their increased ownership and entitlement to decision making, dictators may employ new rules in the form of coup-proofing strategies to chip away at the military's advantage.

Typology of Civil-Military Relations in Authoritarian Regimes

The level of political property right ownership and the guarantee of those right claims impact the bargaining power of civilian and political actors and the outcome of

institutional designs governing the relationship. Considering all complex contracts are incomplete, it is cost prohibitive for parties to enter into long-term contracts that precisely specify current and future actions for every possible eventuality. As a consequence, contracts will be subject to renegotiation. (Hart and Moore 1990, 1122) As Hart and Moore (1990) argued in defining the level of integration and the boundaries of the firm, actions taken today by agents translates to productive value tomorrow (actual or perceived) with implications for future contract negotiations. On one hand, the future return on an agent's current action will depend on his or her future "marketability" or bargaining position. On the other hand, the existence of assets specificity means that an agent's "marketability" will depend on the assets (property rights), he or she has access to, or ownership. In negotiating the civil-military arrangements, the bargaining environment impacts the "marketability" of the military establishment. The bargaining environment is influenced by previously held political property rights of the actors and the credible safeguard of those negotiated political property rights. In short, the institutional arrangements are derived by two dimensions: 1) the credible guarantee of political property rights and 2) the negotiated political property rights. These dimensions outline four civil-military institutional arrangements in an authoritarian system—cartel, cadre, entrepreneur, and patron armies—influencing the degree of subordination of the military establishment to civilian control (Figure 1). This typology also classifies the variation of bargaining power between civilian and the military elites in renegotiating subsequent institutional arrangements.

Figure 1. Typology of Civil-Military Relations in Authoritarian Regimes



Guarantee of Political Property Rights

The horizontal dimension of the typology is the guarantee of political property rights. This dimension measures the degree political property rights will be secured ex post and consists of two components: 1) the level of contestation of political property rights and 2) the level of credible commitment to the agreement by the actors in the exchange. Credible political actors must own the political property rights in the exchange and are able to commit to obligations of the contractual agreement. Do the actors actually own the rights in the exchange? Are these rights contested? Can the actors in the transaction be trusted to follow through based on past reputation? In short, can the parties credibly commit to contractual obligations in the future (ex post).

First, the level of contestation of political property rights is a factor in bargaining. The presence of competitors impacts the bargaining position of the military in two ways: lowering the exit costs of the military and potentially increasing the dictator's dependence on coercive violence to maintain office. Potential competitors to the

incumbent varies based on the openness of the political systems. In closed regimes, there is in effect a dominant political actor that retains strong rights to public authority. This actor can be an individual dictator, a party, or the military. In more open regimes, competitors can be other political elites such as wealthy landowners, business leaders, and/or the military. The opposition can also come from an emerging civil society such as political parties, associations, unions, and/or the church. Civil society is defined as the "arena of the polity where self-organizing groups, movements and individuals, relatively autonomous from the state, attempt to articulate values, create associations and solidarities, and advance their interests." (Cook 2007, 6) In essence, political competitors translate to alternative buyers on the market lowering the exit cost of defecting. More buyers, thereby, increases the marketability of the military and lowers the risk of asset specificity. Contested political property rights may also increase the dictator's dependence on the military. With the presence of potential rivals, the dictator may be more reliant on the military to remain in power. As a consequence of the dictator's reliance on repression, the army is able to levy greater political concessions from the dictator. The more the regime relies on the military to maintain the status quo, the more bargaining power the military gains in negotiating a larger share of ownership.

Next, will the dictator credibly commit to following through on the new contractual agreement? As stated before, it's difficult for political actors in dictatorship to show credible commitment. Because rights can easily be taken away, dictator faces the political problem of committing to actions contrary to his or her self-interest. Thus, the dictator's past reliability and reputation must be factored. When the army asks the incumbent, "Why should we believe you will not cheat us?" The credible answer is

"because if I were not committed to organizational efficiency more than my own self-interest, I would be unable to protect our borders, I would lose legitimacy, and an opposition force could take my office." While organizational efficiency should keep the dictator from cheating, this is not enough incentive to mutually bind the long-term relationship. In further evaluating the guarantee of political property rights, did ex ante civil-military institutions create reciprocal acts between the dictator and military to counteract ex post vulnerabilities to opportunism?

Negotiated Political Property Rights

The vertical dimension of the typology is negotiated political property rights of the armed forces. This dimension delineates the institutional arrangements, or agreed upon political property rights, negotiated by the dictator and the armed forces. As Grossman and Hart (1986) found, the degree of vertical integration within a firm can be defined in terms of ownership of assets. Translating political property rights to civil-military institutional arrangements, negotiated political property rights consist of two types of political authority: 1) "owner" rights and 2) "manager" rights (Table 2). The strength or weakness of these two types of rights are dependent upon the level of control and decision points the political actor possesses.

Table 2. Political Property Rights

Owner Rights	Manager Rights
- Controls usage of assets (state, regional, or local) - Decides who has access to assets and governance rents through political	- Decides on production activities related to military operations - Advises on security policy - Decides on internal structure of the security organization

appointments and post (top military appointments) - Controls distribution, appropriation and allocation of surplus generated from assets and governance rents (military budget) - Decides on economic, social, security policy - Creates new rules for society (creation of laws and public institutions) - Imposes decisions on the entire society (enforcement and monitoring) - Decides on arms production and procurement - Decides on intelligence gathering	- Implements military personnel system - Determines military education and doctrine - Decides on operational distribution of the military budget - Advises on arms production and procurement - Advises on intelligence gathering

Owner political property rights confer public authority upon the holder to impose decisions on the entire society and access to governance rents—typically reserved to holders of political office. As Hart and Moore (1990) suggested, ownership rights permit the holder of authority to decide on the usage of assets, the division of the surplus generated by the assets, and the right to exclude others use of the asset. In short, those possessing owner rights are granted the right to impose decisions on the entire society, make decisions on governance structures, and access to governance rents. This type of right entails the authority to make decisions and policies that go beyond the scope of military affairs to include social and economic policy. In short, those with owner rights get to make the rules and impose those rules on others.

In the context of the military, manager political property rights entail control and authority over production activities, specifically related to the production of violence. The role and scope of responsibility for military managers is limited to military affairs and national security. manager rights, thereby, guarantees policy input in areas that pertain to the armed forces core interests—preserving military corporate identity and increasing asset specificity all of which requires a certain level of professional autonomy.

Professional autonomy, as used in this study, refers to the decision making authority over the military's natural sphere of influence. In his study of Latin American armed forces, Pion-Berlin (1992) identified several decision sites in determining the level of military autonomy: personnel decisions, military education and doctrine, military reform, military budgets, arms production and procurement, defense organization, and intelligence gathering. (87-90) The more the civil authorities decide on these points the less military autonomy, and vice versa, the more the military leaders control these decisions the more autonomy.

Army Types and Institutional Change

These dimensions outline four civil-military institutional arrangements in an authoritarian system—cartel, cadre, entrepreneur, and patron armies—influencing the degree of subordination of the military establishment to civilian control. This typology also classifies the variation of bargaining power between civilian and the military elites in renegotiating subsequent institutional arrangements. Civilian control and the levels of control is defined below:

- Civilian control of the military confers responsibility for the state's strategic decision making in the hands of civilian political authorities, rather than the military establishment. Civilian authorities have control over setting policy (the ends), the decision on the implementation (the means), and determining lines of responsibility between ends and means.

- Civilian supremacy is the degree of control by the civilian authority over the military that effectively renders the military subordinate and incapable of challenging civilian preferences. Civilian authorities have complete control over the ends, means, and drawing the lines of responsibility.

- Civilian superiority is the degree of control by the civilian authority over the military that renders the military subordinate although military preferences are considered. Civilian authorities have a favorable position in determining the ends and means, however, the lines of responsibility are not clearly delineated.

- Military supremacy is the degree of control by the military establishment over the governing of the state that effectively renders civilian political elites subordinate and incapable of challenging military preferences. Military officers have complete control over the ends, means, and drawing the lines of responsibility.

- Military superiority is the degree of control by the military establishment over policy priorities subordinating the policy preferences of civilian governing authorities. While the preferences of other groups are considered, military officers have a favorable position in determining the ends and means effectively blurring the lines of responsibility between civilian and military authorities.

Cadre army (civilian supremacy). In cadre army arrangements, civil-military institutional arrangements are centered on the primacy of the party. Because of the near-monopolistic ownership of political property rights of the dominant party and the party's ability to secure the rights of its members, political transactions are negotiated with less political uncertainty. The party controls strategic-level decisions, or owner rights, on top-level aspects of military affairs from budget, general officer promotions and appointments, and political indoctrination. Alternatively, the generals typically retain significant manager rights to determine operational and tactical level military decisions. Moreover, the armed forces' politically property rights are institutionally guaranteed to the same or greater degree as other eligible party members, or cadre. As a party member achieves seniority in the party hierarchy, he or she realizes the rewards of that membership. As a consequence, party members and military officers are invested in the longevity of the party system. This creates a situation in which military and civilian party

members' preferences converge. Consequently, subordination and control of the military is the most reliable and least costly of the four civil-military arrangements.

Patron army (civilian superiority). In patron army arrangements, the civil-military contractual obligation is often sustained by direct transfer, or clientelistic exchange between dictator and the armed forces. The dictator (patron) offers the officer corps (client) a "valuable" political property right, in exchange for support. A "valuable" political property right includes, but are not limited to, political appointments and administrative posts with high potential rents. This creates a situation in which there is civilian superiority of the military—as the civilian authority has the preponderance of owner rights. However, political property rights in the exchange with the dictator are contingent and can be easily removed. Because property rights are not credibly guaranteed by the dictator, the military establishment may not be invested in the perpetuation of the incumbent. Moreover, the military brass may seek to insulate the organization from the volatility of the dictator by increasing the military's manager rights. Thus, there is often an ongoing struggle between the dictator who seeks to wrest autonomy from military, and the military establishment who seek to retain their autonomy. Since civilian and military elites' preferences do not necessary converge, civilian leaders cannot reliably get the military to do what they want.

Entrepreneur army (military superiority). In entrepreneur army arrangements, overreliance on coercion has led to the military elite expecting a share of owner political property rights. In political environments that are deeply polarized, co-optation via party or patronage systems may be difficult to employ or ineffective and political authority is highly contested, sometimes violently. Due in part to the internal threat environment and

high political uncertainty, the armed forces have a strong bargaining position vis-à-vis the civilian political leader. Like other political entrepreneurs (McCaffrey and Salerno 2011, 552), the military elite seeks to structure civil-military relations to exploit opportunities to profit from the political system. Extending this definition, an entrepreneur army may design the political order to exercise control and access to governance rents through civilian intermediaries. As a result, generals have an inordinate amount of input over administrative aspects of the state beyond the purview of the military. Moreover, the military elite have secured their manager rights controlling all aspects of military affairs from budget, promotions, appointments, and military indoctrination. Consequently, civilian authorities have minimal say in security activities and often rely on military support or acquiescence to govern the state. This creates a situation in which there is military superiority making it difficult for civilian leaders to control the military.

Cartel army (military supremacy). In cartel army arrangements, the military establishment has a monopoly of political property rights and guarantees those rights through coercion. As a consequence, any opposition to praetorian rule is effectively repressed and silenced. Because of the overwhelming coercive power of the regime, there is no bargaining space to negotiate or contest political property rights. Similar to an economic cartel, the military establishment seeks to maximize and protect their collective interests by restricting political competition. Extending this definition, a cartel army exercises unprecedented ownership and control over the institutions of the state. Military men hold the highest state offices, thereby, controlling critical appointments to executive, legislative, and bureaucratic positions at all levels of government. Accordingly, civilian politicians and other political groups have minimal input in governing the state. This

creates a situation in which civilian preferences are generally subordinate to the preferences of the military; thereby, the armed forces have achieved military supremacy.

Institutional Change. Civil-military institutions are not static, but evolve as circumstances and actors change. The primary objective of political actors negotiating the design of civil-military institutional arrangements is the protection of their political property right claims and continued access to those claims. The military may seek to increase its autonomy from the dictator by enlarging its political property rights to be beyond the reach of civilian control or oversight. While the dictator may curtail the military threat by incrementally limiting and reversing the gains of the military by employing coup-proofing measures. Given the distribution of political property rights among the actors, I would expect transitions in civil-military arrangements to theoretically flow in a logical pattern.

As civilian actors gain the advantage in political property rights, civil-military institutional designs could transition from cartel to entrepreneur, from entrepreneur to patron, and finally patron to cadre army arrangements. Additionally, as civilian actors gain more political authority and the attached political property rights, they also shift their strategies to limit the contestation of political authority, moving from direct repression to co-optation strategies—transitioning from a patronage system to a party system.

- When civilian elites gain political property rights:
    - a cartel army transitions to an entrepreneur army,
    - an entrepreneur army transitions to a patron army, and
    - a patron army transitions to a cadre army.

As military actors gain the advantage in political property rights, civil-military institutional designs could transition from cadre to any number of configurations (patron, entrepreneur, or cartel), from patron to entrepreneur, and finally entrepreneur to cartel army. Because military elites are motivated to remove themselves from the dependence on a civilian incumbent, they first lobby to increase their manager rights, then request a share of owner rights, and finally move to achieve full ownership. Theoretical, when a party system breaks down military and civilian elites are peers as party members. As a consequence, the transition in civil-military institutional designs can take various avenues following the demise of the party system based on power of institutions and individual actors. If civilian actors take control of the transition the relationship could transition to a patron army arrangement. If civilian and military actors form an alliance during the transition, the civil-military designs may fall within the entrepreneur army category. Finally, if the military is the strongest institution remaining, it could launch a takeover, forming a cartel army arrangement.

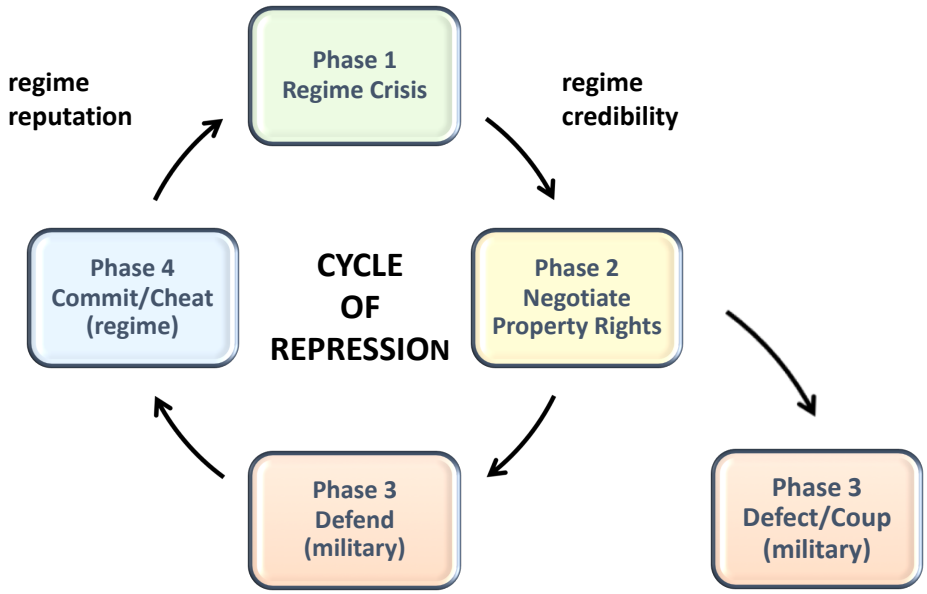
- When military elites gain political property rights:
    - a cadre army transitions to a patron, entrepreneur, or cartel army,
    - a patron army transitions to an entrepreneur army, and
    - an entrepreneur army transitions to a cartel army.

While opportunistic behavior can alter institutions at the margins, it is often imperceptible until long after the change has occurred. The political actors in a political exchange may not even recognize the change in the balance of power until it is too late to act. However, a crisis event requiring the application of military repression provides actors an opportunity to dramatically restructure the governing arrangements of the civil-

military pact. The cycle of repression provides insights into changes to civil-military institutional arrangements before and after a crisis event.

Cycle of Repression

Figure 2. Cycle of Repression



The cycle of repression provides insights into civil-military institutional arrangements before and after a crisis event. A crisis events requiring the application of military repression provides each actor an opportunity to reevaluate and restructure the governing arrangements of the contractual relationship. The balance of power between civilian authorities and the armed forces determines the contractually agreed upon institutional framework and ultimately the level political property rights gained and maintained by each actor. The cycle consists of four stages: regime crisis, negotiation, military action, and regime action (Figure 2).

Phase 1: Regime Crisis

In this phase, regime crisis entails domestic political instability which threatens the survival of the regime. Domestic political instability can include factional infighting over succession, secessionist movements, insurgencies, and popular uprisings. The most observable manifestations of regime crisis are popular uprisings or resistance campaigns. In their study of nonviolent conflict and civil resistance, Chenoweth and Stephan (2011) defined resistance campaigns as "a series of observable, continuous, purposive mass tactics or events in pursuit of a political objective." (3) Depending on the size, duration, and tactics employed in a campaign, a regular police force may be incapable of handling the crisis. In these types of campaigns, the armed forces advantage "lies in its size, labor-intensive nature, and proficiency in the deployment of large-scale violence." (Svolik 2012, 125)

Phase 2: Negotiation of Political Property Rights

In this phase, a crisis events requiring the application of military repression gives political actors an opportunity to renegotiate the governing arrangements of the contractual relationship. When the dictator requests support from the armed forces to pacify a campaign or suppress an uprising, the two actors enter into negotiations over distribution of political property rights. As the original contract may not have included costly acts such as overt mass repression of unarmed citizens, the unanticipated disturbance, "crisis event," necessitates the adaptation of the bargain. Because civilian and military political actors seek to limit their exposure to political uncertainty, each actor will negotiate for new rules to achieve that objective. Crisis events allots each actor

an opportunity to reevaluate and restructure the governing arrangements of the contractual relationship. Given the obstacle of securing political property rights and enforcing those rights, each actor will be motivated to insulate themselves from political uncertainty. Civilian actors will want to reinforce their owner rights and political authority over the military. The military, on the other hand, will want to expand their professional autonomy by pursuing measures to increase their manager political property rights; if need be, they will broker for owner rights to secure freedom of action. Ideally, an equilibrium in the contractual relationship would advance both actors' goals by reinforcing institutional guarantees of each actor's political property rights— owner and manager. If the two actors have found past governance structures were not enough to consistently bind the agreement, they may decide to alter the institutional arrangements to increase the incentives to commit and promote compliance.

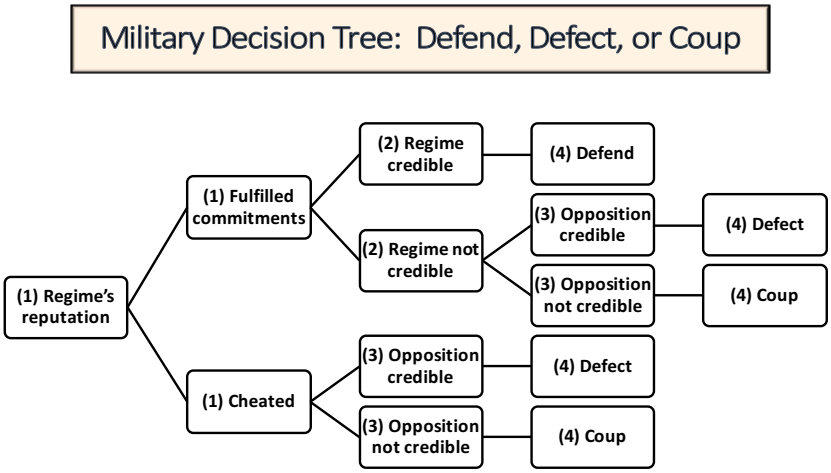
Ownership of political property rights and the guarantee of those rights impacts the bargaining power of civilian and military actors and the outcome of institutional designs governing their relationship. The amount of political property rights the military obtains in the contractual arrangement is dependent upon its current level of secured rights. If the military has weak manager rights it will want to secure more manager rights. If the military has already secured its manager rights, it will negotiate for owner rights—thereby gaining decision making political authority. Since entrepreneur and cartel armies have the preponderance of owner rights and civilian actors have less political property rights, the bargaining range is narrower. As a consequence, civilian actors will have less bargaining power in these types of civil-military relationships. As

for cadre and patron armies, the bargaining range is wider since civilian actors have significant political property rights to offer the military.

Phase 3: Military's action to defend, defect, or coup

In this phase, the military makes the decision to defend, defect, or coup. The military weighs several factors in its decision: (1) the regime's reputation, (2) the regime's future credibility, and (3) the opposition's future credibility (Figure 3).

Figure 3. Military Decision Tree: Defend, Defect, or Coup



* Credible political actors own the political property rights in the exchange and are able to commit to obligations of the contractual agreement.

Decision point (1). The first consideration is the dictator's reputation in fulfilling previous contractual obligations (see discussion in phase 4). Did the dictator follow-though on the contractual commitment? Or did the dictator cheat the military of previously negotiated political property rights? If the dictator has fulfilled commitments

in the past, the military will next consider the future credibility of the regime, decision point (2). If the dictator has cheated in the past, the military will advance to decision point (3) and consider the future credibility of the opposition.

Decision point (2). The second consideration is the regimes credibility in fulfilling contractual obligations following the crisis. Credible political actors own the political property rights in the exchange and are able to commit to obligations of the contractual agreement. The military will consider the probability that the dictator will remain in office and reliably commit to the political bargain. Is the dictator ailing? Will his or her successor reliably secure the military's property right claims? Is the regime supported by a foreign patron state and will it continue to be supported? If the incumbent is found to be credible following the crisis, the military will decide to defend the regime. If the military determines the regime will not or cannot credibly commit to the agreement, it will next consider the future credibility of the opposition, decision point (3).

Decision point (3). The third consideration is the future credibility of the opposition. In order for the political opposition to be credible, it must be perceived as legitimately holding political office and the right to wield political authority once the crisis event is over. Again, credible political actors own the political property rights in the exchange and are able to commit to the agreement. In determining the credibility of the opposition, the military may contemplate several questions. Is the opposition supported by a wide segment of society? Will the opposition leader hold a majority of the political property rights, owner rights? Is the opposition's political authority contested by other groups?

Will the opposition be recognized internationally as the legitimate government? Finally, and most importantly, will the opposition credibly secure the military's political property rights? Is the opposition ideologically compatible with the military establishment? If the military finds the opposition a credible partner, it will decide to defect. If the opposition is not a credible partner, the military will decide to coup.

Action point (4). The military has gone through the decision tree and evaluated the credibility of the various political actors to credibly secure the military's political property rights. The military then takes action to either defend the regime, defect from the regime, or coup d'état.

Phase 4: Regime's action to commit or cheat on the contractual arrangements

In this phase, the regime takes actions to commit to, or cheat in, the renegotiated civil-military contract. As Phase 2 describes, prior to the military committing to defend the regime during a crisis event, the political actors renegotiate their share of political property rights, thereby, restructuring the relationship. As a consequence of the cycle, the more the dictator relies on the military for repression to maintain the regime, the more negotiated political property rights the military obtains. The repetition of the cycle and the overreliance on the military eventually results in the military obtaining significant owner rights. The more owner rights obtained by the military, the increased likelihood the relationship transitions to one dominated by the military—entrepreneur or cartel army arrangements.

This dependence on coercive violence entails a paradox—the agents empowered to manage violence are also empowered to act against the regime. (Bueno de Mesquita et al., 2005; Svolik, 2012, 2013; Albrecht 2015a, 2015b) How can an authoritarian regime, which relies on agents of organized violence to stay in power, avoid being overtaken by those agents? Due to the incompleteness of the civil-military contract, it is subject to opportunism by the dictator and the military when ex post institutional safeguards are not devised. As Williamson (1985) asserted, the trouble of incompleteness of contracts is opportunism…in a world of bounded rationality and opportunism, actors cannot be assumed to keep their promises or fulfill their contractual obligations. Opportunism on the part of the dictator would seek to decrease the military's political property rights. While opportunism on the part of military would seek to increase its political property rights. The incompleteness of the civil-military contracts is subject to ex post opportunism when institutional safeguards, in the form of credible commitments, are not devised ex ante. Credible commitments come in the form of reciprocal acts that mutually benefit the actors to the transaction. As stated before, it's difficult for political actors in authoritarian systems to demonstrate credible commitment through reciprocal acts. Because property rights can be easily taken away, both dictators and agents of violence encounter the political problem of committing to actions contrary to their self-interest. Without knowing the actor's reputation, entering a political transaction is a leap of faith. This is why political actors, especially in authoritarian systems, often prefer to make political bargains with actors with tribal, clan, or familial ties.

For the dictator, military intervention in politics is a double-edged sword. The dictator needs the military to intervene on his or her behalf, but also desires the military

to stay out of politics. To minimize the inherent risk, dictators will therefore act to limit the military's threat to the regime by restructuring the relationship. Once the military gains supremacy or majority ownership vis-à-vis the civilian incumbent, it is a difficult process to reverse. To counter the impending problem, dictators will attempt to reverse the process while he or she still has the political authority, or owner rights to make organizational changes and/or create new competing institutions. This reversal process is examined in the coup-proofing literature. Quinlivan (1999) defined coup-proofing "as the set of actions a regime takes to prevent a military coup." (133) Various scholars (Quinlivan 1999; Kamrava, 2000; Belkin and Schofer 2003, 2005; Cook 2007; Pilster and Böhmelt 2011; Powell, 2012; Albrecht 2015a, 2015b) have described coup-proofing tactics such as establishing strong personal loyalty between officers and incumbents through ethnic, religious and personal bonds; dividing security apparatuses with overlapping jurisdiction, creating parallel armed forces to balance the regular military; fostering and financing expertness in the regular military; frequently rotating officers to avoid the emergence of alternative power centers; and granting the officer corps economic privileges and opportunities for self-enrichment.

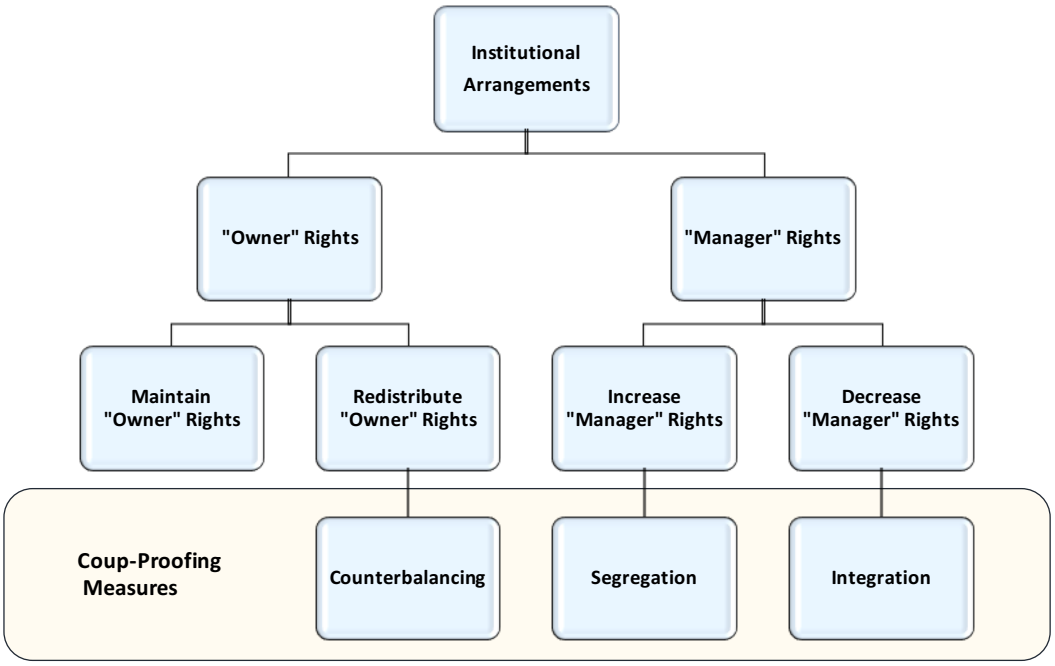
Recognizing the threat from the military establishment, dictators employ new rules in the form of coup-proofing strategies (Figure 4). As noted by Albrecht (2015a), some coup-proofing measures are designed to bind officers closer to the incumbent (integration), while others are designed to keep them out of the political arena (segregation) (Table 3).

Table 3. Albrecht's (2015a) Coup-Proofing Measures in Authoritarian Regimes

	Integration	Segregation
Professionalization	… of officers in the public realm	… of officer in war-making
Military organization	Targeted recruitment of soldiers; establishment of militias; counter-balancing of divided militaries	General conscription; organizational cohesion of military apparatuses
Officer appointment	Reshuffling of officer corps only at critical junctures	Frequent and regular rotation of officers
Economic coup-proofing	Individual opportunities of self-enrichment; often illicit activities	Establishment of military enclaves; autonomous sources of income
Social composition	Kinship recruitment from among privileged minorities; ethnic coherence of officer corps	Social heterogeneity; expansion of social basis of officer corps

Integration coup-proofing strategies brings the military brass closer to daily politics and compromises the military's professional autonomy. In contravention of the military's objective to minimize the impact of political uncertainty, integration tactics systematically undermines its manager rights. On the other hand, segregation coup-proofing strategies create barriers to the officer corps intervening in politics by enhancing their professional autonomy. Unlike integration tactics, segregation measures align closely with the military's goal of securing manager rights, increasing professional expertise, and insulating the organization from daily politics. The military brass is then able to concentrate on war-making and invest in asset specificity. Of the two, the military would, therefore, prefer the regime implement segregation coup-proofing strategies.

Figure 4. Regime's Actions to Commit or Cheat in the Civil-Military Contract



If the military has obtained significant owner rights, the dictator may not have the political authority to alter the military's manager rights. Unable to limit the military's autonomy or make significant changes to the armed forces organizational force structure, dictators may choose to pursue a counterbalancing strategy to redistribute owner political property rights. Counterbalancing is a coup-proofing tactic employed by leaders to proliferate rivalrous units within the military and security sector to prevent coups. (Belkin and Schofer 2003; Powell 2012; Böhmelt and Pilster 2015; Brooks 2019) Expanding upon this definition, counterbalancing also includes the creation or strengthening of competing civilian institutions to provide checks and balances to existing institutions. The dictator may employ a combination of these measures to restrain the military.

Opportunistic coup-proofing by the dictator can be risky. If the military establishment perceives coup-proofing measures as defaulting on the civil-military political bargain, i.e. cheating, the dictator's reputation and credibility will be suspect in future negotiations with the military. Integration and counterbalancing tactics risk alienating the wider subset of the officer corps if those benefiting from special privileges and enrichments narrows. Segregation, on the other hand, risks the military becoming completely autonomous from the dictator and, in turn, not invested in the persistence of the regime. During periods of political instability, when the times comes to request the military intervene in politics at the behest of the dictator, the armed forces may decide to let the partnership lapse. Thus, opportunistic cheating on the civil-military contract may lead to defection or a military coup d'état as phase 3 outlines. The dangers of implementing too much or too few coup-proofing measures is the proverbial "Gordian Knot" for the dictator.

Conclusion

The effectiveness of civil-military institutional designs to safeguard credible commitment to political bargain informs the military's decision to defend, defect, or coup. Credible commitment requires the creation of institutions which facilitate reciprocal acts through irreversible specialized investments such as the regime investing in military infrastructure and the officer corps investing in specialized expertise. Because authoritarian systems lack an independent authority to enforce compliance with institutionalized "rules of the game," the ultimate arbiter of conflict is violence. Those

that can wield the most violence can make the rules. The primary objective of political actors negotiating civil-military institutional arrangements is the protection of their political property right claims and continued access to those claims. The means to achieving this objective is to design institutions and governance structures to minimize their exposure to political uncertainty. However, limiting exposure to political uncertainty does not necessarily secure credible commitment to the political bargain. Consequently, the incompleteness of the civil-military contract is subject to opportunism by the dictator and the military when institutional safeguards are not devised. The military may seek to increase its autonomy from the dictator by enlarging its political property rights. While the dictator may employ coup-proofing measures to curtail the military threat, incurring a reputation cost. In a cycle of repression, dependence on coercive violence entails a threat for the dictator—the agents empowered to manage violence are increasingly empowered to act against the regime. Once the military gains supremacy or majority owner rights, civilian elites face a difficult reversal process. However, reversal is possible if counterbalancing measures are incrementally employed or there are structural changes such as economic downturns, losing a war, or shifts in geopolitics (i.e. end of the Cold War and a loss of great power support of the regime).

CHAPTER 3

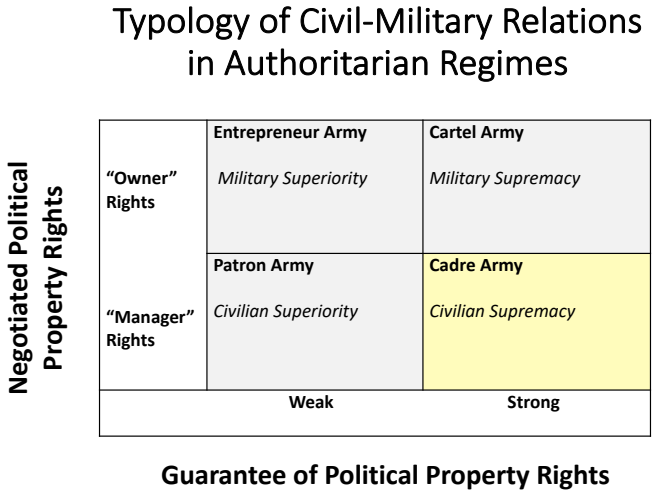
CADRE ARMY: THE CHINESE COMMUNIST PARTY AND THE PEOPLE'S LIBERATION ARMY

Cadre Army (Civilian Supremacy)

In authoritarian regimes, the most effective means in maintaining uncontested political property rights is the co-optation of rivals through a party system. A growing body of research finds that dictatorships with a single or a dominant political party are especially resilient. (Geddes 2003; Gandhi 2008; Magaloni 2008; Brownlee 2007) Svolik (2012) identified three features of successful authoritarian parties that account for their effectiveness as instruments of co-optation, at both the mass and elite levels: hierarchical assignment of service and benefits, political control over appointments, and selective recruitment and repression. (163) These instruments create an incentive structure encouraging sunk political investment by party members effectively exploiting their members' ambition and career aspirations to create a stake in the perpetuation of the regime. Moreover, when the regime assigns costly party service to junior members and distributes the benefits of party membership to senior levels of the party hierarchy, the party encourages a costly sunk investment. (164) As Svolik (2012) contended, "what makes co-optation via party so effective is not the distribution of benefits by itself—those could be easily distributed without a party—but rather, it is the conditioning of those benefits." (164) If the regime or leadership changes, those benefits would most likely be

lost. In short, this sunk investment is non-transferable across political coalitions, thereby, giving party members a vested interest in the perpetuation of the incumbent regime. (184)

Figure 5. Cadre Army Type



In dominant political party authoritarian systems, civil-military institutional designs are typically centered on the primacy of the party. Because of the near-monopolistic ownership of political property rights of the dominant party and the party's ability to secure the rights of its members, political transactions are negotiated with less political uncertainty. Under these negotiating conditions, ex post governance is more stable. Consequently, subordination and control of the military is the most reliable of the four civil-military arrangements. As defined by Desch (1999), civilian control means "civilian leaders can reliably get the military to do what they want them to do." (4) Since the military elite holds dual roles in the party and the military establishment, this creates a situation in which military and civilian party members' preferences converge. In a

dominant party system, state bureaucrats, civil servants, and military officers are typically required to be members of, and pledge allegiance to the party. Perlmutter and LeoGrande (1982) described the mechanism of party control (to include the military):

> The central premise of this ideological structure is, of course, the preeminent role of the party. To instill this principle, in both theory and practice, the party institutes a whole series of mechanisms that provide it with control over all other political institutions. The military is no exception. Such mechanisms may range from the extreme of dual command, through nomenclature, to the more cooperative system of coopting military commanders into high party posts. A party structure within the armed forces and an elaborate system of political education for officers and troops cement the loyalty of the armed forces to the party-state system. Officers who do not share this ideological commitment do not reach high positions, or if they do, they do not retain them for long once their ideological deviation becomes clear. (786)

The armed forces' politically property rights are institutionally guaranteed to the same or greater degree as other eligible party members, or cadre. As a party member achieves seniority in the party hierarchy, he or she realizes the rewards of that membership. As a consequence, party members and military officers are invested in the longevity of the party system. While political property rights granted to bureaucrats, such as the military establishment, are normally limited to manager rights, those rights are normally codified and delineated. The party controls strategic-level decisions, or owner rights, on top-level aspects of military affairs from budget, general officer promotions and appointments, and political indoctrination. Alternatively, the generals typically retain manager rights to determine operational and tactical level military decisions. Prominent party systems include the communist regimes of eastern Europe and China and later emulated by the Baathist regimes in Syria and Iraq. While these party systems were viable, civilian authorities were able to maintain civilian supremacy of the military.

The Chinese Communist Party and the Peoples' Liberation Army

Since the formation of the Chinese Communist Party (CCP or Party), the Red Army (later converted into the People's Liberation Army upon the establishment of the People's Republic of China) has been the armed wing of the Communist Party. Founded in 1927, for the first two decades the Red Army engaged in fighting the Kuomintang (KMT) Nationalists during the Chinese Civil War, with an interlude fighting the Japanese during World War II. Forming enduring bonds among its members, the Red Army and communist members, later led by Mao Zedong, survived the yearlong treacherous trek over difficult terrain to evade the pursuit of the Nationalist Army during the Long March. Mao's Red Army eventually bested Chiang Kai-shek's Nationalist army and declared victory in October 1949. Although the Red Army transitioned to the PLA following the formation of the People's Republic of China, it did not transform into a national army, continuing its role as the Party's army. The history of the PLA is inextricably connected to the party.

Civil-military relations in China demonstrates a unique fusion of military and political leadership at the senior levels of the communist party—which is evident by the term "party-army relations." Civil-military scholars have also described party-army relations as a "symbiosis," "dual-role elite," and the "the party in uniform." (Schram 1969; Perlmutter and LeoGrande 1982) This symbiotic relationship has its roots in the Long March cadre, who endured great hardship during the revolutionary period and held

senior leadership positions at the apex of the Party and the army into the 1990s.[4] In this symbiosis the underlying assumption is that in order for both the CCP and the PLA to survive and maintain their political authority they must retain a strategic partnership through interwoven institutional arrangements. Mao famously observed, "Political power grows out of the barrel of a gun!" He also warned: "the party commands the gun, and the gun must never be allowed to command the party." (Johnston 1984, Shambaugh 2003) To this day, the Party continues to exercise control over the military as a fundamental guarantee of the Communist Party rule.

Several institutional constructs shape the party's dominance or control over the army: the integration of political and military leadership at the top, the implementation of the party control systems, and the professionalization of the military. These control strategies were meant to align the party and army elite preferences, inject the party directly into military functions, or keep the military separate from politics. While some of these controls are complementary, others are contradictory. They have been used in varying degrees depending on the paramount leader's (Mao or Deng) preference, the external security threat, the divisiveness of factional party politics, and the instability of societal pressures. Given the various combinations of controls, party-army relations were not static. The most dramatic change in institutional arrangements occurred with the succession from Mao Zedong to Deng

[4] The Long March took the main body of the communist forces from Jiangxi across to Sichuan, then deep into the interior of north China, and finally to a new base in the town of Yan'an. It was a traumatic experience and many survivors suffering ailments for the rest of their lives. The CCP differentiated between those who participated in the march and those who did not. The "Long March cadres" enjoyed a prestige and camaraderie that set them apart within the ranks of the party. The Long Marchers have led the Chinese communist party from the march into the 1990s. (Lieberthal 1995, 47)

Xiaoping. During the Maoist period, Mao's dramatic policy swings between revolution (destruction of institutions) and stability (state building) led to the concomitant shift in strategies of control. During the Deng era, the emphasis on modernization and institution building profoundly altered the structure of party controls.

The first source of control was the integration of party and army leaders at the uppermost levels of decision making. The roots of this integration lie in the revolutionary period, when the Party and the army performed both political and military functions. After the establishment of the Communist regime in 1949, rival hierarchies developed within the vast power structure, but at its apex the distinction between the roles of the top leaders remained opaque. This was because their political authority continued to be highly personalized and derived not from their institutional role but from their individual stature and vast personal networks. (Joffe 1996, 1997) The most significant result of this integration was that the nation's two paramount leaders—Mao Zedong and Deng Xiaoping—were also supreme and active commanders of the PLA. Their special standing with the PLA enabled them to use the army as a power base in elite politics. Shambaugh (2003) described this pattern of institutional control, as an "interlocking directorate" in which a high ratio of senior military officers and army veterans filled senior party posts. (12) Blurring the institutional lines between the Party and the PLA leadership, this "interlocking directorate" created overlapping political authority and blurred the boundaries of owner and manager rights at the top of the party hierarchy.

Next, the CCP relies on a three-pronged system of party control: the political affairs network system, the political commissar system, and the party committee system.

These three systems inserted the party directly into military units; in essence, creating a dual chain of command—with two distinct missions—one focused on military affairs and the other political affairs. (Ji 2006) The party control system acts as a check and balance on commanders and ensures the party's political message is carried out in the PLA. The first prong is the political affairs network system which consists of the political departments and personnel that implements the political affairs mission. The second prong is the political commissar. A unique position found only in communist societies, political commissars constitute the concrete form of party leadership in the military (Ji 2006, 147) The political commissar ensures commanders yield to party control and directives, recruits new party members into the rank and file, and implements the political works agenda of the unit. Finally, the party committee system installs party branches, or cells, at all levels of command. These party cells provide an institutional foundation for commissars to control the political works agenda of the unit. Additionally, the party's organizational principle dictates that all important matters must be discussed in committee meetings, including important matters in the PLA. (Ji 2006, 159) Through these party controls, the party puts tremendous emphasis on political and ideological education, especially of high-ranking officers, in order to ensure the army at all levels will follow orders. The main theme of this ideological education is the importance of upholding party supremacy over the army. (Joffe 1997, 40)

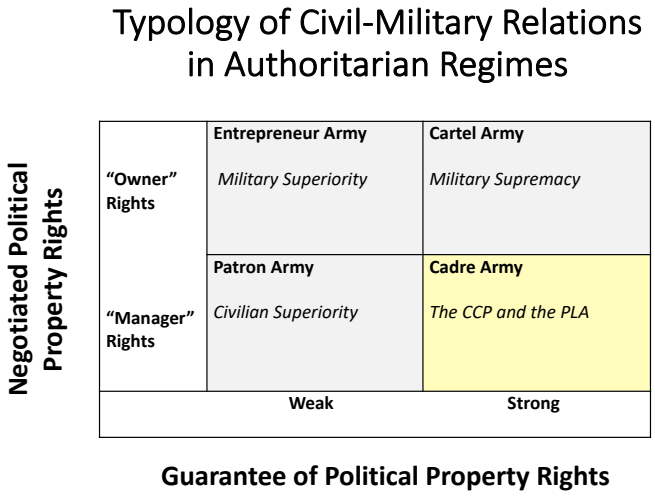
The last mechanism of control is increasing the military's professional autonomy in order to separate the PLA from politics. This means of control was greatly dependent upon the external and internal threat perception of the senior leaders of the Party, specifically the paramount leader. The PLA experienced most of its professional

autonomy during the two waves of military modernization—specifically the mid-1950s and the post-Mao years. During these periods, military modernization served to enforce hierarchical governance since it amplified bilateral dependency and credible commitment between the party and army through the party's investment in the military's infrastructure (specialized assets) while simultaneously encouraging the military to increase its asset specificity (specialized expertise). The upshot, as the military gained specialized expertise and outwardly focused on the external security mission, it was less likely to involve itself in domestic politics.

Cadre Army Institutional Arrangements

The rise of Deng Xiaoping in the late 1970s led to the replacement of Mao's revolutionary agenda with a nation-building project of "four modernizations"—modernizing industry, agriculture, science and technology, and national defense. Due to Deng's reforms, some civil-military scholars observed that the PLA was moving away from its traditional communist institutional ethos into a new stage of limited autonomy from the ruling party. Notwithstanding the variation in the degree of institutional integration and level of professional autonomy, the PLA elite, as well as the officer rank and file, steadfastly recognize the ideological primacy of the Party and its right to rule. Although party-army relations have evolved over the decades, the relationship has continuously fallen within the cadre army institutional arrangements.

Figure 6. The CCP's Civil-Military Institutional Arrangements



Horizontal Dimension. This dimension measures the degree political property rights will be secured ex post and consists of two components: 1) the level of contestation of political property rights, and 2) the level of credible commitment to the agreement by the actors in the exchange.

First and foremost, the Party's right to rule and decide has not been credibly contested since the Nationalist Party fled to Taiwan in 1949. Over the decades, its monopoly of power has never been seriously challenged by any other political force. In short, no political interest group has realistically contested the political authority of the Party. To ensure Party ownership and access to political authority, top state officials at every level of administration concurrently holds senior Party posts. The same is true within the military establishment. The generals hold dual roles with rank in both the military and Party hierarchy. Incidentally, the greatest threat to political stability is factional competition within the Party representing different sets of policy preferences.

While there may be fierce intra-party competition, most factions concede to the primacy of the Party to rule. Finally, one test of the Party's ability to retain its access to uncontested political authority is its ability to manage succession and transitions. After the passing of Mao Zedong, the Party navigated this thorny issue and dampened the effects of intra-party infighting by reinforcing the principles of collective leadership and consensus building.[5]

Next, the Party has demonstrated in the past that it credibly commits to following through on contractual obligations with the military establishment and other party members. As Svolik (2012) described, the Party oversees a hierarchical assignment of service and benefits, political control over appointments, and selective recruitment. Accordingly, officials and party member throughout the Chinese system hold personal ranks to include the military elite. This personal rank determines housing, transportation, and other privileges and benefits. (Zhang et al. 2001, 224) While the Party system remains intact, the dual rank held by military elites institutionally guarantees their politically property rights. In other words, the CCP represents the PLA's best "buyer," as it provides the military with privileges and special status that no other political group can guarantee.

Vertical dimension. This dimension delineates the institutional arrangements, or agreed upon political property rights, negotiated by the regime and the armed forces over time. Negotiated political property rights consist of two types of political property rights: 1) owner rights and 2) manager rights.

[5] The CCP collective leadership comprises the seven men who hold appointments in the Communist Party's Politburo Standing Committee, each man has a rank, from one to seven, and retain primary responsibility for a specific portfolio. (Lawrence and Martin 2013, 5)

In the civil-military political bargain, the Communist Party retains the preponderance of owner rights. The PLA has consistently recognized the Party's legitimate right to control the army. However, complicating the hierarchical relationship is the close integration of political and military leaders at the uppermost level of decision making. The "interlocking directorate" often blurred the institutional lines between the leadership of the Party and the PLA. This explains why the military elite always belongs to the party and usually holds party rank of some consequence. This party rank confers military leaders a pivotal political role in the Party and owner rights to participate in conflicts over ideology, elite composition, and major policy directions. Therefore, the military elite participates in decision making "not as the military per se, but as part of the party, the party-in-uniform." (Shambaugh 2003, 12) Therefore, because of the "interlocking directorate," the highest echelon of the military chain of command have significant owner rights.

As part of the "four modernizations," Deng Xiaoping implemented military reforms to modernize and professionalize the PLA with the net effect of incrementally increasing the corporate autonomy and separate identity of the armed forces. With these reforms, Deng sought to increase the military's functional and technical expertise and professional autonomy. To achieve a modern fighting force, the division of labor was necessary to pursue technical expertise and administrative efficiency. While integration at the top of the Party hierarchy continued, at lower levels of the military organization the institutional boundaries between the army and the party became clearer by delimiting the military's manager rights. Deng's reforms intended to clarify and strengthen the PLA's manager rights improving the officer corps professional autonomy.

Entering the Cycle of Repression

During the Mao era, the two superpowers stood as the predominant external threat—each posing a danger at different periods. From the Korean War down to the late 1950s, Mao had to prioritize national defense, as the United States was the principal threat. Because of the Korean War effort, the American threat, and the need to modernize the PLA, Mao permitted military leaders greater professional autonomy and the unhampered ability to manage military affairs. To further the PLA's specialization, the Soviet Union provided considerable military and technical assistance—supporting the Chinese defense industrial base, research and development (R&D), weapons and equipment, and professional officer training. Incidentally, the PLA based its organizational structure on a model imported from the Soviet Union. (Godwin 2001; Saunders and Wuthnow 2016) Training in the newly-established Soviet-influenced military academies, the peasant-based army leaders transformed into a modern officer corps. (Joffe 1996, 304) Moreover, unlike the guerilla warfare experience of the Long March cadre, the military leaders that emerged in the mid-1950s consisted of warriors whose formative combat experience was the Korean War. Their experience underscored the need for a modern army and military transformation. Coinciding with the modernization effort and change in doctrine, PLA officers increasingly focused their attention on combat effectiveness and began to assert professional attitudes regarding the need for asset specificity and specialization. In short, the new generation of military leaders got a taste for professional autonomy, preferring to insulate themselves from party politics.

In 1958, due to China's abandonment from the Soviet model, there was an increase in Sino-Soviet friction—making it evident that the Chinese could no longer rely on Soviet assistance. Mao's solution was to institute the Great Leap Forward which depended on the mass mobilization of peasants in order to leap the normal stages of economic development. In conjunction with the mass mobilization of peasants, Mao began a campaign against military professionalism, as the officer corps would view it, ratcheting efforts to radicalize the army. After the disastrous economic effects of the Great Leap Forward (1958-1961) became evident, the highest echelon of the PLA began to vocalize their discontent with Mao's radical direction.[6] Specifically, Defense Minister Peng Dehuai explicitly criticized Mao at the Lushan conference in 1959. Having a chilling effect on senior Party members, Mao had Peng removed from his post replacing him with Lin Biao. (Robinson 1982, Lieberthal 1995; Joffe 1996) With Lin Biao at the helm, Mao injected greater party controls over the PLA enlarging the system of political controls. The new defense minister, Lin Biao, gradually dismantled Peng's reforms—abolishing ranks, re-politicizing the officer corps, re-integrating its role in society, and re-emphasizing its people's war origins and practices. (Robinson 1982, 235) While Mao had prevailed in his confrontation with Peng, the collapse of the Great Leap Forward had also convinced party elites that they should quietly resist Mao's revolutionary policies. As they discretely maneuvered to clean up the mess left from the Great Leap Forward, the Party began to sideline Mao from decision making. According to Joffe (1997), the party

[6] From 1960 to 1961, it is estimated that thirty million people starved to death due to Great Leap Forward policies. (Lieberthal 1995, 108)

elites chose to subtly resist implementation of Mao's radical agenda—a tactic that fueled his anger and culminated in the Great Proletarian Cultural Revolution (1966–1976). (3)

The Cultural Revolution marked Mao's return to power, regaining a central role in politics after the failures of the Great Leap Forward. The stated goal of the Cultural Revolution was to preserve Chinese Communism by purging remnants of capitalist and traditional elements from Chinese society, but the implicit goal was to dismantle the party and state institutions.[7] Preceding the Cultural Revolution, facing an increasingly recalcitrant Party, Mao turned to the PLA to achieve his domestic political agenda. For instance, increasing the army's role in society, in 1964, Mao called for the population to learn from the PLA example, implicitly, instead of the party. (Lieberthal 1995, 111). He also expanded the administrative role of the PLA, establishing alternative political organs in many government offices staffed by military officers. Finally, losing patience with the obstinate party by 1966, Mao commenced his Cultural Revolution campaign, unleashing the Red Guards groups (formations of Chinese youths) to attack the party and launch a reign of terror in the cities. Radicalized, with a license to destroy, the Red Guards groups later formed warring factions sending China into a veritable civil war. All the while, looming in the background was the impending threat of a Soviet invasion.[8] Believing he

[7] Mao's four broad goals for the Cultural Revolutions—change the succession, discipline the huge bureaucracies governing the country, expose China's youth to a revolutionary experience, and make substantive changes to policies to reduce inequality and material incentives. As of 1965 Mao's likely successor was Liu Shaoqi—deeply distrusted by Mao for his dubious level of commitment to the revolution. The revolution was intended to dislodge Liu and put another successor in his place, probably Lin Biao. (Lieberthal, 1995, 111)

[8] In 1966, Beijing formally broke party relations with the Communist Party of the Soviet Union (CPSU). The rupture finally culminated in the eruption of border hostilities over an island in the Ussuri River and elsewhere in March 1969. Additionally, Beijing felt threatened by the Brezhnev doctrine, which obliged the USSR and its allies to correct countries that strayed from the socialist path. In August 1968, Soviet-led Warsaw Pact invaded Czechoslovakia.

had sufficiently obtained his goals, in a tactical retreat, Mao decided to regain control and rebuild the Party in 1968. To reestablish order, Mao called upon the army to suppress the unruly youth groups. (Lieberthal 1995, 115)

According to Joffe (1996), when the violent phase of the Cultural Revolution ended in 1969, the PLA had become the effective ruler of China's provinces. (302-303) The military's intervention in politics to stabilize the country at the end of the Cultural Revolution destroyed any distinction between the Party and army at the local level. To restore order, the PLA rapidly replaced the shattered Party as the supreme organ of rule, either indirectly, by dominating the newly-founded Revolutionary Committees, or directly by establishing Military Control Committees. The army did not withdraw from politics with the termination of turmoil, however, fearing the return of the radical left, military leaders had decided they were best positioned to secure order. As Joffe (1996) concluded "military commanders harbored a deep hostility towards the radical left, and hence did not budge from their political positions as long as the possibility of a radical comeback existed." (308) Consequently, after Party leaders decreed that local Party committees should be resurrected to take power back from the PLA, military commanders made sure that they retained control. In short, the military elite did not trust the radical wing of the party, which had not yet been ruled out as Mao's successors, to secure the political property rights of the PLA. Only after the complete downfall of the radical left and the appointment of Deng Xiaoping as the paramount leader did the PLA return to the barracks and transfer political authority back to the Party.

The attack on Party institutions from 1966 to 1969 made the PLA the only political actor able to decide succession. Several factions contested the right to rule

China, the radical "Gang of Four" led by Mao's Wife, Jiang Qing, and the moderates led by the terminally ill Zhou Enlai, who incidentally rehabilitated Deng Xiaoping. Complicating succession, before his death, Mao had designated Hua Guofang his successor. Within a month of Mao's death, military leaders cooperated with Party leaders to arrest the Gang of Four, ending a decade of radical politics. The diverse views of the military establishment regarding policy and the distribution of political property rights could not be ignored by post-Mao leaders. At the end of the 1970s, Hua and Deng made bids to secure PLA support by stressing policies that appealed to different groups within the military. (Johnston 1984, 1012) Hua focused on maintaining the PLA's traditional roles as the guardians and purveyors of Mao Thought and Party ideology. Deng, alternatively, appealed to PLA modernizers, stressing the benefits of stable economic growth and defense modernization. (Johnston 1984, 1012-1013) Deng's reputation among his military peers and modernization appeals won over PLA leaders as they supported his succession.[9]

After Deng assumed power, he resumed military modernization and downgraded the PLA's role in politics. During its pivotal role in the Cultural Revolution, the PLA had grown politically stronger than the party and Deng needed to curtail those effects. While the PLA was a key political actor, its extensive involvement in Mao's radical domestic campaigns had atrophied its military effectiveness in prosecuting war. Deng

[9] Deng's PLA years gave him the necessary credentials to qualify as a military leader and to obtain permanent entry into the inner councils of the military hierarchy. This bond accounts for the protection he received from PLA commanders when he was hunted by Red Guards in the mid-1960s; for the backing he got from PLA commanders when he made his bid for power in the late 1970s; and for their reluctant readiness to intervene in the Tiananmen crisis of 1989 and to fire on the demonstrators. It also accounts for the steady support of PLA leaders for Deng's reforms, which he could take for granted as an invaluable asset in his unyielding efforts to implement new policies. (Joffe 1997 27)

"critically observed in the summer of 1975, the PLA had degenerated into an aging, overstaffed, obsolescent, arrogant giant incapable of conducting modern warfare." (Godwin 2001, 16) The poor performance of the PLA during the 1979 Sino-Vietnamese war confirmed Deng's critique. During the sixteen-day border war, the PLA's largest military operation since the Korean War, Chinese forces had sustained heavy casualties against a numerically inferior Vietnamese force. (Goodwin 2001, 16) As Deng rebuilt the Party and the state, he also intended to transform the PLA, reinforcing the hierarchical relationship between the party and military—in essence, reaffirming the master-servant relationship through reciprocal acts between owner and manager. Deng employed a wide range of strategies to restructure party-army relations—such as permitting the PLA off-budget sources of funding to invest in military modernization, reinvigorating the party control systems, and increasing overall professional autonomy.

From the owner side, a regime typically demonstrates commitment to the hierarchal relationship through investment in military modernization and infrastructure. Even though Deng placed military upgrades as one of the nation's "four modernizations," it came last in prioritization. The Four Modernizations—agriculture, industry, science and technology and the military—encapsulated the objectives of Deng's reforms. Deng persuaded PLA leadership that other areas needed immediate attention, and once the economy was stabilized, military modernization would move to a higher priority. (Robinson 1982; Mulvenon 2006, 2012) Because of the stagnation of the Chinese economy from the Great Leap Forward through the Cultural Revolution, the government could not meet both the budgetary needs of the PLA while simultaneously bankrolling the capital investment necessary for economic reforms. Consequently, the military

budget was more or less stagnate during the 1980s, and declined by about 10 percent as a share of national expenditure. (Mulvenon 2006, 217) To placate the military, he brokered a deal with the PLA to allow the military to run commercial operations to supplement its budget. The importance of the PLA's internal economy grew over time as shrinking defense budgets forced the military to become increasingly reliant on the rising extra-budgetary revenue from its commercial enterprises.[10] (Mulvenon 2012, 218) Although there were periodic complaints about the low level of military financing, PLA leaders did not threaten to weaken Deng's government, trusting he would eventually follow through on the promise of military upgrades. (Robinson 1982; Joffe 1997)

From the manager side, Deng installed institutional measures to encourage the officer corps to invest in technical proficiency to increase asset specificity. For instance, he focused on military doctrine, education and specialization. Doctrine, strategy, and tactics were revised under the rubric of "people's war under modern conditions." (Johnston 1984) Additionally, reforms in education and training emphasized improving military skills and raising the educational level of troops conducting combined arms operations. Deng also established new rules governing the personnel systems—upgrading the quality of PLA recruits and officer candidates, reestablishing rules for retirements and promotions to encourage upward mobility in the PLA and create a predictable career path. To this end, he replaced the top generals with younger

[10] "Between 1984 and 1989, the military-business complex experienced its most intensive period of growth, by some estimates doubling the number of enterprises. Profits reportedly grew by 700 percent as the PLA moved from primarily agricultural production to manufacture of light consumer goods, such as pianos, refrigerators, TV sets, washing machines, baby carriages, and hunting rifles. By 1989, the sales of goods made by PLA factories had reached RMB20 billion in the Chinese market, and more than RMB140 million in export revenue. The PLA economy had grown to over 20,000 enterprises, employing several million workers and generating significant profits." (Mulvenon 2006, 219)

generations amendable to his modernization and reform agenda. (Robinson 1982; Johnston 1984) He retired "first generation" commanders, in favor of "second" (and "third") generation commanders. These younger commanders entered the army during the earlier stages of the revolution, but much of their formative military experience came in the latter stages of the Chinese civil war and the Korean War, when the Red Army's military doctrine were changing from guerrilla strategies to larger-scale regularized operations. (Johnston 1984, 1015) Finally, reforming the promotion system and enhancing the career mobility of better trained, younger officers, he reinstituted the 1955 Military Service Law and further promulgated a new service law in May 1984 which set time limits for promotion and age limits for active service. (Johnston 1984, 1023) Promotion reforms also had the salubrious effect of ferreting out politically unreliable and technically unqualified officers. (Johnston 1984, 1022-1023)

In addition to making changes to the personnel system, Deng's reforms focused on officer specialization in their national security role in an effort to insulate the PLA from domestic politics. Accordingly, Deng took concrete measures to decrease the PLA's domestic role and internal security responsibility. Ideological and doctrinally, Deng and his PLA political officers emphasized the inappropriateness of military intervention in nonmilitary issues through various political works campaigns. In more practical terms, twelve years after its abolition, the People's Armed Police (PAP) was revived in 1978. During the PAP's dissolution during the Cultural Revolution, the PLA had performed policing and security duties. (Johnston 1984, 1019) By codifying the requirements for advancement and deemphasizing their role in domestic politics, these measures gave officers reason to invest in asset specificity.

While bolstering the military's manager rights and professional autonomy, Deng also reinforced his particular brand of party politics by revitalizing party controls that were dismantled during the Cultural Revolution. (Ji 2006) Sending out political works teams to dispatch at all levels of the PLA, the ideological study of Deng's "truth from facts," and "open door" to the West approach. He aimed to undermine the remaining remnants of the Maoist camp within the ranks and eliminate "leftist" opposition to his reforms. (Robinson 1982; Johnston 1984) He also revitalized the party committee system and reinstalled party branches at all levels. The upshot, the PLA at all levels were under the control of Dengist political officers and like-minded military commanders. (Johnston 1984, 1028) Finally, he limited the percentage of officers that could join the party to increase the effectiveness of the Party's one-way penetration. For example, in 1980, he restricted party membership to graduates of military academies ensuring these officers had gone through pro-Deng military educational systems. (Johnston 1984, 1031) By reducing the size of the Party in the PLA and revitalizing the party control systems, Deng hoped to strengthen his political authority over the military and ensure their ideological orientation aligned with his preferences.

1989 Tiananmen Square Movement

The 1989 Tiananmen Movement was a nationwide nonviolent citizens' movement calling for reforms in China. The decade prior to the movement was a period of rapid economic and social change within a political system that, at its highest levels, was fundamentally averse to any change that might threaten the existing order. Sparked by

the April 15, 1989, death of Hu Yaobang, the former general secretary of the CCP whose reformist views distinguished him from the hardliners in the Party. One of Deng's protégés, Hu Yaobang oversaw reforms until his dismissal from the post of Party general secretary in 1987 for failure to oppose "bourgeoisie liberalization energetically enough." (Zhang et al. 2001, 481) Aware of Hu's liberal reputation, students felt especially connected with him, but had done nothing to support him when he fell from grace. With reform programs in retreat, students saw an opportunity to promote political change by commemorating Hu's memory. On April 19, students began a sit-in at the front entrance to Zhongnanhai, the seat of the central government, demanding a dialogue with the Chinese leadership. Tensions mounted as officials rejected a dialogue. Dejected and humiliated, students then declared a campus strike and began occupying Tiananmen Square prior to Hu Yaobang's funeral on April 22. (He 2017) The student movement ended on June 4, when the PLA deployed over 200,000 soldiers, equipped with tanks and machine guns, to crackdown on what the regime called a "counterrevolutionary riot." In the immediate aftermath, twenty-two divisions of thirteen different PLA Group Armies drawn from all across China, remained on a state of high alert in the capital until martial law was lifted in January 1990. (Shambaugh 2003, 22)

Arguably the student movement was a proxy for the ongoing intra-party conflict between hardliners and softliners over the direction and speed of reforms. Disagreements about how to respond to the movement accelerated the fracture within Party leadership and forced out the Party general secretary, Zhao Ziyang, considered a softliner. When

Zhao Ziyang hesitated in ordering a crackdown, Party Elders[11] dismissed him and put him under house arrest until his death in 2005. (He 2017) Hardliners in the Party, persuaded Deng, the student movement was a threat to the Party system and political stability.[12] Party leaders feared if the protests gained enough momentum, the movement, or "turmoil, could have the destructive power reminiscent of youth groups during the Cultural Revolution.[13] Convinced of the danger, Deng Xiaoping sided with the hardliners and in consultation with the Party Elders, Deng declared martial law and eventually ordered the army to clear the Square by force. (Lawrence and Martin 2013, 13)

Defend, Defect, or Coup: Decision to Defend

In making the determination to support the Party and suppress the student movement, the PLA weighed the regime's reputation and future credibility in securing

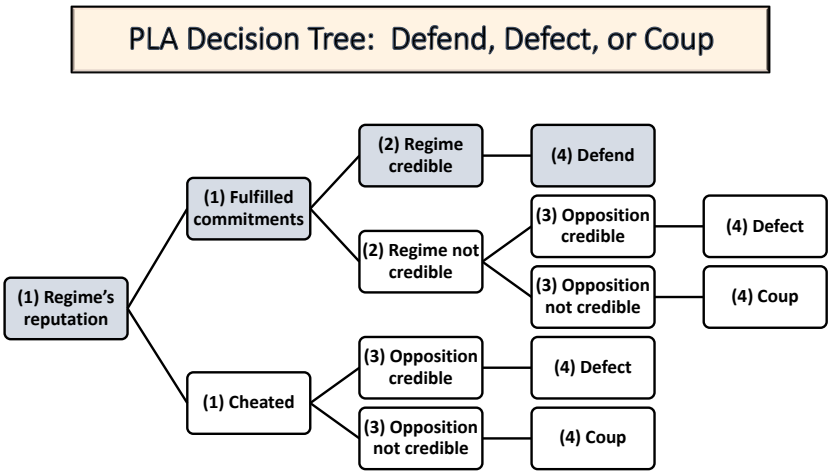
[11] Deng Xiaoping's power was not absolute. Before his word was final, Deng sought consensus among the Elders. The Elders that caucused with Deng included six men (Chen Yun, Li Xiannian, Yang Shangkun, Wang Zhen, Peng Zhen, Bo Yibo) and one woman (Deng Yingchao, the widow of late premier Zhou Enlai) with long, distinguished service to the Party. The Elders met four times and made four big decisions: to declare martial law, to dismiss Zhao Ziyang, to appoint Jiang Zemin Secretary General, and to employ troops to clear Tiananmen Square. Notably excluded, or self-excluded, from the meeting to decide on martial law and the deployment of PLA troops were the two surviving marshals of the Chinese military, Xu Xiangqian and Nie Rongzhen. The Elders had no previous history of meeting together before or after the Tiananmen events. (Zhang et al. 2001, xxx)

[12] On April 23, General Secretary Zhao Ziyang departed for a scheduled visit to North Korea. In his absence, hardliners Premier Li Peng and President Yang Shangkun met with Deng Xiaoping on April 24 and convinced him that the student protests posed a significant danger to the regime. (He 2017)

[13] In an editorial published in the April 26 edition of the *People's Daily*, Deng is quoted as labeling the movement "turmoil" (*dongluan*) and stating it had to be decisively denounced. Another translation is "riot" with its implications of intentionality and violence. The editorial was aimed at setting boundaries warning the majority of loyal students not to be misled by a small group of radicals. However, the term "turmoil" proved to be inflammatory. The word had an especially negative connotation in China because it had often been used in reference to the upheavals of the years of the Cultural Revolution between 1966 and 1969. (Zhang et al. 2001, xxxvi)

the military's political property rights, see Figure 7, decision point (1) and decision point (2). Finding the Party a credible partner before and after the crisis, the PLA decided to defend the regime. It complied with orders to deploy martial law troops into Beijing and later cleared the student demonstrators from Tiananmen Square.

Figure 7. PLA Decision Tree



* Credible political actors own the political property rights in the exchange and are able to commit to obligations of the contractual agreement.

Decision point (1): CCP's Reputation in Securing the Military's Property Rights

Despite the mass student movement upturning everyday life in Beijing and across 100 other cities around the country, the Party's hegemony was never in doubt. Throughout the 1980s, there was no question that the party Central Military Commission (CMC) remained the locus of decision making for the PLA.[14] Although Deng had retired

[14] While Zhao Ziyang held the position of Party general secretary, he had not been appointed head of the CMC and therefore remained outside the PLA chain of command.

from the Party's Politburo and Standing Committee, he retained his position as party CMC chairman. (Miller 2006) While he held his commander-in-chief position, Deng's informal and personal influence remained substantial and his formal institutional posts were not necessarily a prerequisite to wield political authority. Deng, for instance, held the position of CMC chair from 1981 to 1989, even though he did not hold the position of the CCP general secretary from 1981 to 1987 or any formal party or state portfolio between 1987 and 1989. (Miller 2006) Deng's command of the military was based largely on his revolutionary and military credentials, as well as his status and prestige as one of the founders of the People's Republic of China and the PLA. Moreover, prior to Tiananmen, Deng had championed military modernization and the professionalization of the officer corps. In short, he was highly regarded amongst the military brass who had benefitted from his military reforms. To save the Party, Deng willing used all his political capital and staked his reputation to get the military establishment on board. When the order came to deploy martial law troops and later clear the square, Deng had proven his credibility to secure the interests of both the Party and the military.

Decision point (2): CCP's Future Credibility in Securing the Military's Property Rights

Party succession was a concern in assessing the ex post credibility of the regime. Deng Xiaoping was reasonably concerned with the center holding when he was gone. He emphasized that any collective leadership needed a core for the stability of the party system. [15] At a CCP Central Politburo Standing Committee meeting on June 16, Deng

[15] The first-generation core was Mao Zedong; the second-generation core was Deng Xiaoping; and the third-generation core was Jiang Zemin.

stated, "Our Party now has to build its third generation of collective leadership…Our having a core is the reason we've been able to go through two leadership transitions smoothly, without adverse effect on the continuity of Party rule." (Zhang et al. 2001, 426-427) With the fall of Zhao Ziyang as Party general secretary and the advanced years of Deng Xiaoping, he was 85 at the time, the military brass would be concerned with succession and the Party's ability to guarantee its political property rights. Therefore, Party Elders acted quickly to remove Zhao Ziyang, hoping to create a united front and put to rest any question on the line of succession.[16] Party Elders met on May 27 and decided to endorse Shanghai Party Secretary Jiang Zemin at the next Party general secretary. At the Fourth Plenum of the Thirteenth Central Committee held in June 23-24, the Party formally elected Jiang Zemin general secretary. In short, the Party found a credible successor to reassure the military brass that the ex ante agreement would be reliably fulfilled ex post.

Action point (4): Defend

During the 1989 Tiananmen Square Movement, the Party was firmly in power. No visible elite divisions manifested within the Party during the popular uprising. Moreover, the student protestors remained weak with little financial, organizational, or moral backing from domestic or international sources. Finding the CCP credible before and after the crisis, the PLA decided to defend the status quo. Despite easily quelling the

[16] The eight Elders met on May 27 to replace Zhao Ziyang. They wanted to find a successor who could win public support—thus, reasonable detached from the decision and implementation of martial law. The group came to a consensus in favor of Shanghai Party Secretary Jiang Zemin. (Zhang et al. 2001, 297)

disturbance, the possibility of future uprisings and once again being called to use violence against unarmed protestors was an alarming prospect. The movement served as a warning signal for the Party to commit to organizational changes to strengthen the party hierarchy as well reorganize the state's internal security apparatus to better handle the suppression of the population.

Continuing the Cycle of Repression Under Third Generation Leadership

In 1989, China's Communist Party faced the challenge of large-scale protests in Beijing's Tiananmen Square and in more than 100 other cities around the country. When the Party ordered tanks into the streets of Beijing to enforce martial law and clear protestors from Tiananmen Square, the PLA proved its willingness to put the Communist Party's interests first. Despite hesitation, misgivings and some individual cases of disobedience, the PLA executed the Party's order to suppress the demonstrators, killing hundreds of protestors in the process—no authoritative death toll has ever been released. (Lawrence and Martin 2013, 6) The military also served the Party by enforcing seven months of martial law in the capital after clearing the Square. The PLA's actions against Chinese citizen irreparably damaged its image within China and around the world—consequently, it would expect the Party to return the favor.

Corresponding with the cycle of repression, when a regime relies on the military establishment to uphold its claims to political property rights and continued access to public authority, the crisis event provides an opportunity to renegotiate the terms of the agreement. Depending on the regime's level of reliance on the military for repression,

the military can gain the upper hand in negotiating for additional political property rights. Because civilian and military political actors seek to limit their exposure to political uncertainty, each actor will negotiate for new rules to achieve that objective. The Tiananmen crisis gave the civilian and military political elites reason and opportunity to restructure the Chinese civil-military arrangement. Arguably, the crisis added the fuel to complete Deng's reforms of the Party and the PLA. On one hand, the crisis exposed the Party's tenuous control of the PLA which was based on interpersonal relationships of first- and second-generation leaders. Party leaders would have to clarify the lines of ownership. On the other hand, the PLA elite detested the idea of sending troops into Beijing to pacify the student protestors.[17] As such, they sought to expand their professional autonomy to insulate themselves from the vicissitudes of domestic and Party politics. The Party and PLA, therefore, advanced their goals by reinforcing institutional guarantees of their political property rights—owner and manager. Securing these rights had the dual effect of expanding bilateral dependency and increasing each actor's mutual gain from ex post hierarchical governance.

Before genuine reforms could start, the first order of business was to enforce discipline over the military. Signaling it still held a preponderance of owner rights, the

[17] Prior to the decision to establish martial law, Party Central was in consultation with high-ranking military leaders to include the two surviving marshals of the Chinese military, Xu Xiangqian and Nie Rongzhen. Only ten officers in the history of the PLA had ever risen to the rank of marshal. As the sole survivors of this group, Xu and Nie had considerable influence among the military and the general public. When they were briefed about the martial law decision, Xu at first said nothing but later issued a statement: "Lets us hope it is never directed at the students." Nie's response was, "Under no circumstances should there be shedding of blood." For the remaining military brass not included in prior notification, the announcement of martial law came as an unpleasant surprise. Eight generals and admirals signed a one-sentence letter addressed to Deng Xiaoping and the Central Military Commission (CMC), stating, "We request that troops not enter the city and that martial law not be carried out in Beijing." (Zhang et al. 2001, 264-265)

Party immediately acted to reward loyalty through valuable appointments and punish defectors through exclusion. Those who had distinguished themselves or had demonstrated loyalty during the 1989 crackdown were promoted. Employing a typical integration coup-proofing maneuver, the CCP reshuffled senior military leaders at a critical juncture. Over the next year following Tiananmen, widespread personnel changes took place in the upper reaches of the armed forces. Between February and June 1990, a nationwide shuffle of military district commanders and political commissars, including both the PLA and the PAP, led to a shift in the posture of the entire military. Six of the seven military region commanders and commissars were replaced or rotated. (Shambaugh 2003, 25) Next, the CCP and PLA moved swiftly to clear the ranks of insubordination. To this day, the extent of military insubordination remains unclear.[18] In a well-publicized case of insubordination, the commander of the 38th Group Army,[19] General Xu Qinxian, was immediately stripped of his command when he refused to enter Beijing. General Xu Qinxian later met a court martial, received a five-year prison sentence, and expulsion from the CCP. (Brook 1992, 39-40)

The next order of business was to clarify owner rights by creating explicit rules of who was at the top of the military chain of command. In short, making it unequivocally clear to both civilian and military actors who had the political authority to control the

[18] General Yang Baibing, Head of the General Political Department (GPD), responsible for post-Tiananmen vetting in the PLA, allegedly briefed at the All-Army Political Work Conference in December 1989 that 111 officers had "breached discipline in a serious way," and that 1,400 soldiers "shed their weapons and ran away." (Shambaugh 2003, 24)

[19] The 38th Army is one of the units located in the vicinity of the city belonging to the Beijing Military Region. The 38th Army has close ties with student protestors, many of whom served in the unit before attending Beijing University or participate in summer training as army reservists. (Trainor 1989); Of note, the majority of troops carrying out martial law in the capital came from rural and mountainous areas. (Zhang et al. 2001, 351)

PLA. While the CMC remains unquestionably the CCP organ that controls the PLA, there was ambiguity about the role of the CMC chairman and his appointment. The Party sought to align the political authority of the Party secretary general and CMC chair, as well as clarify the line of succession for the CMC chair. At the time of the Tiananmen crisis, the position of Party secretary general (the designated head of the Party) and CMC chair (the commander and chief of the PLA) was held by two different people—Zhao Ziyang and Deng Xiaoping, respectively. Furthermore, concerned over the stability of the Party after he departed the political scene, Deng took steps to institutionalize a path for the upcoming third- and fourth-generation leaders to succeed him as the preeminent leader of the Party and CMC chair. Before he left the political arena, Deng Xiaoping ensured Jiang Zemin consolidated his leadership of the Party and the PLA. To this end, in November 1989, Deng transferred his CMC chair to the sitting Party secretary general, Jiang Zemin—formally removing himself from the PLA chain of command. By these actions, Deng established the norm that the head of the Party should also be the head of the CMC. These institutional measures clearly delineated the political property rights conferred on specific political roles within the Party. Incidentally, these rules of succession and political authority endured after Jiang Zemin's tenure—all his successors have simultaneously held general secretary and CMC chair appointments. In short, aligning owner rights to specific public offices created explicit rules of who had the political authority to command and control the military.

The next task at hand, the Party sought to clarify the PLA's manager rights by drafting clearer rules on the military's roles and responsibilities. The increasing sophistication of the military bureaucracy and highly technical nature of modern warfare

made the ambiguous boundaries between political and military affairs unsustainable. The upper-echelon of the military and high-ranking Party members drafted new rules to better define the boundaries between owner and manager rights. Once the dust settled on efforts to ensure "absolute loyalty"—purges, personnel shuffling, and heavy indoctrination—the PLA began to push back to reconstitute its corporate identity. According Shambaugh (2003), since the mid-1990s, the military sought greater autonomy over affairs it considered to be fully within its corporate domain such as training, doctrine, force structure, personnel appointments, military education, and protection of national security. (18) Signaling a fundamental change in the rules of the game, for the first time, the Chinese government codified in several laws, documents, and regulations the military's primary functions and roles.[20] (Shambaugh 2003, 47) Taken all together, the codification of the PLA roles and functions purposefully delimited the military's political property rights and strengthened their guarantees.

Finally, the regime sought to redefine the civil-military arrangement by boosting bilateral dependency between the Party and army—recommitting to a hierarchical governance. The regime achieved these ends by increasing the military's modernization budget, divesting the military's commercial endeavors, promoting the military's technical proficiency, and expanding internal security institutions. Accordingly, Beijing sharply increased the PLA's budget every year since 1989. Earlier in his tenure, Deng had

[20] The National People's Congress passed twelve laws and regulations, including the National Defense Law, Military Service Law, Military Facilities Protection Law, Civil Air Defense Law, Reserve Officers' Law, Hong Kong Special Administrative Region Garrison Law, Military Service Regulations, and Military Officers' Ranks and Regulations. Moreover, the State Council and CMC jointly adopted forty-odd administrative laws and regulations, and the CMC implemented seventy-odd on its own, while individual PLA departments, service arms, and Military Regions added more than one thousand military rules and regulations. (Shambaugh 2003, 47)

appealed to the PLA leadership to exercise patience and wait their turn in his "four modernizations" agenda. The Tiananmen crisis provided the military an opportunity to jockey for the reprioritization of resources to achieve the "fourth modernization." Reversing priorities, Beijing increased the PLA's budget, no doubt as political payback for its loyalty during the Tiananmen crisis and support of Jiang Zemin's succession to CMC chair. Unlike Deng, having never spent a day in the military, Jiang embarked on efforts to consolidate and institutionalize his political authority over the PLA. According to Shambaugh (2003), Jiang Zemin and the PLA brass struck an implicit bargain that as long as he supported PLA budgets and professionalization goals, they would defer to his leadership. (47) Finally, once government funding could entirely support the functioning of the PLA, Jiang Zemin began his next initiative to increase his, as well as his civilian successors, control of the military—by eliminating off-budget sources of funding and completely controlling the military's budget. (Li 2010) Deng had previously permitted the PLA to engage in commercial enterprises to supplement the military budget. On July 22, 1998, at an enlarged session of the CMC, Jiang Zemin publicly called for the dissolution of the military-business complex. (Mulvenon 2006, 223)

Next, Jiang Zemin aimed to confine the PLA to military-technical tasks and increase the organization's asset specificity. Jiang endorsed several initiatives to prompt the PLA to invest in technical training and proficiency. First and foremost, military promotions reflected organizational priorities. For example, the refocus on technical competency and professionalization of the officer corps led to promotion of officers with command experience instead of political commissars. (Shambaugh 2003, 32) Moreover, Jiang prompted the PLA to prepare for "local war under high-tech conditions" and

transform a manpower-intensive force to a technology-based one. (Li 2010, 12) He later introduced the concept of "leapfrogging development" to narrow the technological gap with the more advanced militaries of the world.[21] These technology-centric policies led to the decisions to downsize the PLA by five hundred thousand billets in 1997 and another two hundred thousand in 2002. Without a doubt, decreasing the number of billets reduced budgetary pressures and the reliance on commercial enterprise to fund the PLA. Also contributing to asset specificity, the divestiture of the PLA's business holdings starting in 1998, significantly reduced its domestic role allowing it to focus singularly on military-technical tasks. A byproduct of the emphasis on technology-centric warfare and technical expertise was the creation of institutional barriers to the PLA intervening in domestic politics. For instance, it became more difficult to employ technology-intensive services, such as the Navy, the Air Force, and Second Artillery, in domestic pacification operations. (Li 2010, 12)

With the creation of institutional barriers, the party shifted the responsibility of domestic security to other security organization. One lesson of the Tiananmen crisis was the need for more flexible paramilitary capability for riot control. Incidentally, starting in the 1990s, internal security organizations such as the People's Armed Police (PAP) became the first line of defense against domestic unrest and received significant government attention and resources. According to Lawrence and Martin (2013), the heavy investment in domestic security has grown exponentially since 1989. As of 2010, domestic security apparatus at the state level included over 2 million personnel compared

[21] Leapfrogging shifted the emphasis of military modernization from mechanization (adding new hardware platforms) to informatization (developing information technologies–based network and software). (Li 2010, 12)

to the PLA's force of 2.25 million troops. Moreover, since 2010, China's funding of internal security agencies such as the police, the PAP, the courts, and the prison system had outpaced its funding of the armed forces.[22] (Lawrence and Martin 2013,13-14) Developing more robust internal security apparatus relieved the PLA from these operations allowing it to focus on military modernization and external security. Although the PAP retains the primary role for domestic security, the 1997 National Defense Law (Article 22) reiterated The PLA's continued responsibility for internal security: "The standing army, when necessary, may assist in maintaining public order in accordance with the law." (Shambaugh 2003, 21-22)

Conclusion

The fall of the Soviet Union and the resilience of the People's Republic of China demonstrates the importance of credibly securing political property rights before and after a crisis to maintain the loyalty of party members, especially the military establishment. Solnick (1996) came to the same conclusion in his examination of the breakdown of hierarchies in the Soviet Union and China. Due to political reforms in the Soviet Union, Solnick (1996) argued property rights became ambiguous, weakening the Party's ability to monitor and coerce. Decentralization led to the perception that the party could no longer control its resources. Therefore, party members no longer had an incentive to comply, but steal rents today, lest they lose out later. He equated the

[22] The 2013 national budget contained planned spending of $123.7 billion on internal security (not including the PLA), compared to $119 billion on defense. (Lawrence and Martin 2013, 13-14)

phenomenon to the run on the bank—when cheating is not punished, others are encouraged to defect in larger numbers to include the armed forces. The fall of the Soviet Union demonstrated the weakness of the Soviet Union's party system to credibly guarantee long-term solvency of membership benefits.

On the other hand, during reforms in China, Solnick (1996) suggested, property rights became clearer. Unlike the Soviet Union, political reforms did not take place alongside with economic reforms in China. While China's economic reforms included the devolution of power to local governments, the Party never lost the right to appoint local officials. (Solnick 1996, 233) The party still controlled the most important resources of the state and could guarantee members' political property rights. To take part in the economic boom, you had to be a member of the Party and the Party controlled the allocation of property rights; thereby, reinforcing party discipline. The Party was, therefore, able to choose winners in the economic boom. The Chinese Communist Party reinforced party discipline and retained the power to coerce at all levels of the hierarchy. Consequently, there was little incentive to defect, but more incentive to support the maintenance of the regime. The regimes ability to secure political property rights explains why the PLA remained loyal to the Chinese Communist Party during the Tiananmen Square crisis.

The CCP and PLA clearly have common interests. The CCP continues to represent the PLA's most credible partner in politics, providing the military with the kind of privilege and special status that no other political force possesses. Benefitting from the CCP's monopoly of power, the PLA decided to defend the political order during the Tiananmen "turmoil." The crisis, however, revealed the weakness of the party-army

relationship and provided an opportunity for each actor to negotiate for new rules governing the relationship. Following the crisis, the Party and PLA aimed to purposely clarify and delimit the owner and manager political property rights. Each actor found the need to bifurcate the convoluted and sometimes overlapping owner and manager rights that developed with the revolutionary generation. In the restructuring, the Party gained significant owner rights through budgetary control and investment in military infrastructure, while the PLA gained additional manager rights through professional autonomy and investment in asset specificity. Finally, both actors sought to reinforce the hierarchical relationship by encouraging mutual dependence—although bilateral dependency made each actor vulnerable to opportunism, it ultimately encouraged the building of hierarchical governance structures to promote ex post mutual gain. Notwithstanding these changes, China's civil-military institutional arrangements still fall within the cadre army typology.

CHAPTER 4

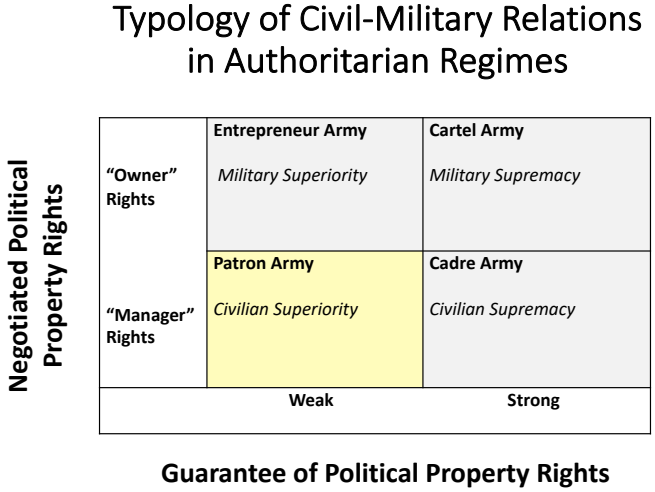
PATRON ARMY: MARCOS AND THE ARMED FORCES OF THE PHILIPPINES

Patron Army (Civilian Superiority)

In some authoritarian systems, such as "personalistic" or "sultanistic" regimes, incumbents maintain political authority through personal patronage networks rather than ideology, charisma, or impersonal law. (Linz and Stepan 1978, Linz 1985, Chehabi and Linz 1998, Geddes 1999, Magaloni 2008, Weeks 2008) Patronage systems involve large networks of people bounded together in hierarchical patron-client formations at different levels. (Kitschelt and Wilkinson 2007, 7) As Snyder (1998) suggested, "The central role of patronage in these regimes creates an authority structure that is radial in nature, with the dictator occupying a central hub that is linked via patronage spokes to clients both within the state and in civil society." (53) The problem both patrons and clients confront in a clientelistic political transactions is that these exchanges are usually not simultaneous, taking place over time, and are not mutually binding. As such, each actor faces a dilemma due to information asymmetry, the ruler can't be sure if the agents will obey, and the agents can't be sure if the ruler will not renege. This raises the specter of opportunistic defection, in which either the patron or client can default on the deal. In an iterative game, the reputation of the dictator matters most in clientelistic exchanges. Moreover, political actors face a large degree of political uncertainty because of the highly contested nature of political property rights in patron-client exchanges. Dictatorships that rely on a personal patronage system to co-opt elites and gain mass

support are highly vulnerable to public office turn-over when resources are not readily available to sustain the system. For instance, the dictator's political authority becomes highly contested in periods of economic slowdown or a reduction of foreign aid.

Figure 8. Patron Army Type



In authoritarian regimes, the subordination of the military to civilian authorities is perhaps most ambiguous with patron army institutional arrangements. In patron army arrangements, the civil-military contractual obligation is often sustained by direct transfer, or clientelistic exchange between dictator and the armed forces. The dictator (patron) offers the officer corps (client) a "valuable" political property right, in exchange for support. A "valuable" political property right includes, but are not limited to, political appointments and administrative posts with high potential rents. Thus, the largest lever of control for the dictator is the power of appointments—the ability to reward loyalist and exclude spoilers. This creates a situation in which there is civilian superiority of the

military—as the civilian authority has the preponderance of owner rights.

The degree to which the patronage network radiating from the dictator penetrates the military is often uneven and can fluctuate over time. Thus, there is often an ongoing struggle between the dictator who seeks to wrest autonomy from military, and the military brass who seek to retain their autonomy. The dictator wants to gain the support of the military with the least amount of ownership rights exchanged, while the military wants to gain more ownership with the least amount of effort. The dictator often aims to restrict the military's autonomy through the control of most aspects of military affairs from budget, promotions, appointments, and military indoctrination. Snyder (1998) suggested, the degree of military autonomy can be determined by whether:

> the armed forces have control over the supply of their materiel, the ability of officers to predict their career paths and to communicate discontent with one another, how completely the officer corps is divided along ethnic or regional lines, and the dictator's capacity to purge elements of the armed forces whose loyalty he questions. (54)

Because property rights are not credibly guaranteed by the dictator, the military establishment may not be invested in the perpetuation of the incumbent and work to insulate the organization from the volatility of the dictator by increasing pockets of military autonomy. Moreover, since civilian and military elites' preferences do not necessary converge, civilian leaders cannot reliably get the military to do what they want.

Political property rights in the exchange with the dictator are not institutionalized, contingent, and can be removed. The hierarchical order and institutional arrangements of the armed forces are, therefore, vulnerable to the quixotic manipulation of the dictator. Established political property rights are not credibly guaranteed by the dictator because personnel actions are often politicized and precarious. Dictators relying on personal face-

to-face connections with senior military officers to maintain loyalty are prone to compromise the organizational health and military cohesion of the armed forces. Consequently, a patron army can be organizationally weakened and demoralized over time as political property rights, especially manager rights, are incrementally dismantled. Like the cautionary tale of Icarus flying too close to the sun, military commanders find they are promoted, rotated to inferior posts, periodically purged, publicly humiliated and dismissed, then politically resurrected and reappointed. (Svolik 2012, 79) These capricious practices publicly signal the dictator's independence, but also undermine his or her reputation and credibility to securing property rights.

The Marcos Regime and the Armed Forces of the Philippines

After gaining its independence 1946, the Philippines stood out as a "showcase of democracy" in Southeast Asia. (Lim 2011, 3) The Philippines had inherited a democratic constitutional government from its American benefactors including the ideals of civilian control of the military. In fact, modeled after America's West Point, the Philippine Military Academy (PMA) socialized and indoctrinated cadets with western ideals of professionalism and civil supremacy. (McCoy 1999, 25) From the 1940s to the 1970s the Armed Forces of the Philippines (AFP) was not considered a power broker in Philippine society as Filipino political and economic elites showed little interests in a military career. Since the Filipino elites did not send their sons to service academies, McCoy (1999) noted, the country's regular officers were drawn primarily from the lower to middle class, "fostering a social cleavage between senior officers and other Filipino

elites." (25) In the two decades following independence, unlike many of its regional counterparts, such as Indonesia, Thailand, and Burma, the AFP generally succeeded in avoiding politicization and never initiated coups against the civilian government. However, with the ascendancy of Ferdinand E. Marcos, the role of the AFP drastically changed.

Prior to Marcos's election as president, at the center of Philippine politics was the rivalry between oligarchic families jockeying for power at the local and national level. During this early period, the Philippines had two major parties, the Liberals and the Nacionalistas which regularly alternated in power. Ideologically identical, these two major parties comprised of the same elite social composition. Because the two parties' platforms were virtually indistinguishable, party switching was a common practice including presidential candidates changing sides. Accordingly, Thompson (1998) concluded elections were largely competitions between the two parties' patronage networks, making them among the most expensive in the world. (208) By taking turns in power, neither party could monopolize political authority and state resources indefinitely. The informal rule of alternating power between the Liberals and the Nacionalistas came to an end when Marcos's decided he would not give up office.

On September 21, 1972, President Marcos issued Executive Order No. 1081, declaring a state of martial law throughout the nation until it was lifted on January 17, 1981. Martial law expanded the military's political role and social status in Filipino society. Marcos's military loyalist became local officials, civil servants, judges, and corporate moguls. His regime would be marked by harsh political repression, vast human

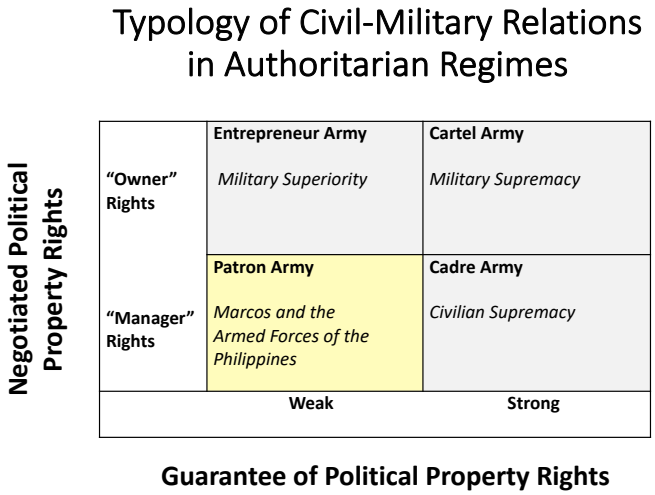
rights violations, and crony capitalism.[23] Backed by his generals, Marcos dismantled all opposition and institutional checks to his power—sidelining political competitors, silencing the Catholic Church, closing congress, and confiscating corporations. Consequently, only two political institutions were able to develop during his authoritarian rule—the office of the presidency and the armed forces. While martial law and repression bolstered Marcos's presidency—it also sowed the seeds of his eventual demise.

Patron Army Institutional Arrangements

During his tenure, Marcos initiated a cycle of repression that would transform a constitutionally-controlled army into a patron army. He effectively restructured the civil-military relationship to one in which the military's political property rights were no longer institutionally guaranteed but singularly dependent on the patronage of Marcos. In short, the military's political property rights were weakly guaranteed and Marcos maintained the preponderance of owner rights.

[23] "Crony capitalism" or "cronyism" under Marcos was a kind of subcontracting of corruption that relied on state power to provide monopolies for private accumulation. Prominent industries included sugar, coconuts, logging, cargo shipping, tobacco, automobile parts industry, banana, and pharmaceuticals. (Thompson 1998, 219)

Figure 9. Marcos's Civil-Military Institutional Arrangements



Horizontal Dimension. This dimension measures the degree political property rights will be secured ex post and consists of two components: 1) the level of contestation of political property rights, and 2) the level of credible commitment to the agreement by the actors in the exchange.

Firstly, to what degree is Marcos's political authority contested? After coming to power in 1965, Marcos broke the informal rules of election politics and later changed the game altogether. To remake the "rules of the game," Marcos garnered the support of the military to subdue the other sources of power in society—from oligarchic families to the Catholic Church. Marcos entered into a bargain with the AFP to exclude traditional elites from power, denying them access to political authority and the attached political property rights. The military partnership allowed Marcos to artificially suppress the contestation of his political authority for a time. Marcos's overstay in office was not an equilibrium, as such, the application of violence had to be continuously applied. If the military

stopped enforcing the "new" rules, Marcos's political authority would be vulnerable to dispossession. As long as the Marcos and the AFP upheld their end of the political bargain, Marcos's claim to the highest office was secure.

Next, does Marcos credibly guarantee political property rights? Did Marcos credibly commit to following through on his agreement with the military? As stated before, it's difficult for political actors in dictatorships to show credible commitment because rights can be easily taken away. Marcos systematically undermined any type of rule-based protection of political property rights for civilian and military political actors. Following the establishment of martial law, any constraint on Marcos's dictatorial powers were effectively neutralized—he canceled elections, censored the press, curtailed judicial independence, and abolished Congress. For example, before martial law, military officers needed congressional confirmation for top-level appointments and promotions. After disbanding Congress, Marcos effectively made himself the sole benefactor of all appointments and promotions. (Thompson 1998; Lee 2011) This kept military subordinates dependent on his magnanimity. Because Marcos bestowed political property rights as a test of loyalty, political transactions with Marcos were subject to change. In short, Marcos's regime did not credibly secure political property rights. He made the rules, broke the rules, and remade the rules at his own discretion.

Vertical dimension. This dimension delineates the institutional arrangements, or agreed upon political property rights, negotiated by the regime and the armed forces over time. Negotiated political property rights consist of two types of political property rights: 1) owner rights and 2) manager rights.

Firstly, did Marcos retain the preponderance of owner rights? After his election

to the presidency, Marcos moved quickly to gain personal control over the military hierarchy. His initial act was to appoint himself as defense secretary for his first thirteen months in power while he undertook the largest reorganization of the military in history. (McCoy 1999; Hernandez 1995; Thompson 1998) He retired many top officers, replacing them with loyalist from his own Ilocos region and junior officers who had supported him during his presidential campaign. He deliberately bestowed patronage on the armed forces and carefully nurtured the military's loyalty and dependency on him. Marcos also centralized security functions under his authority, bringing the police forces and the constabulary under the AFP chain of command.[24] The Philippine Constabulary (PC), which handled internal security and law enforcement, reported directly through the AFP chain of command which was filled by Marcos loyalists—thereby, ensuring his men were the command authority for all military and internal security units. (McCoy 1999; Hernandez 1998; Hernandez and Ubarra 1999; Lim 2011) This reorganization had the effect of removing control of internal security functions from local bosses and directly under the control of Marcos as the Commander-in-Chief of the AFP. Moreover, after the imposition of martial law, Marcos no longer shared owner rights with the Congress—he became the single point of control for all military matters, administering the military's budget, promotions, and appointments. (Thompson 1998; Lee 2011) In the end, Marcos's maneuverings concentrated all owner rights under the office of the president.

[24] In 1976, the Integrated National Police (INP) were formally merged with the Philippine Constabulary (PC). The PC at the time was one of the major service commands of the AFP. Marcos sought to centralize control of all armed units of the government by integrating the police forces and putting them organizationally under the chief of the PC. Prior to the merger, local chief executives in the cities, municipalities, and provinces exercised control and supervision over the police forces. (Hernandez and Ubarra 1999, 9)

During his tenure, Marcos maintained owner rights and curtailed the manager rights of the AFP. Marcos restricted professional autonomy weakening the military's manager rights. Initially, when Marcos's worked to curry the favor of the military to support his ambitions and the enforcement of martial law, he increased its size and the budget. Moreover, with the imposition of martial law, the military acquired a wider sphere of responsibility, transcending normal military responsibility. As a consequence, military men assumed "civilian" roles expanding their political authority, gaining significant political property rights. Although the military filled the vacuum by accepting more political authority, Marcos maintained his control by being the central hub of the patronage network. The expansion of the military's political authority was surgically applied to Marcos loyalist and not uniformly applied across the organization. Disbanding any constitutional control of the military and fearing his own generals, Marcos continuously compromised the military's manager rights. Marcos did not allow the military's top brass to work independently or grant them the authority to make organizational decisions. He effectively restricted the institutionalization of the military's manager rights by reserving political property rights to cronies, sycophants, and incompetents.

Entering the Cycle of Repression

From the onset of his presidency, Marcos flaunted the rules of democracy and positioned himself to gain absolute control of the government through violent means. After serving his first term, Marcos looked to expand his power. His aspirations required

the assistance and partnership of the armed forces. After packing top-level military positions with loyalist, Marcos found a political organization amendable to a deal—if the AFP supported his agenda, they would reap the rewards.[25] With this political pact, Marcos and the AFP entered into a cycle of repression.

To justify martial law, Marcos exploited mounting political polarization and violence within the country—the rise of an Islamic secessionist movement in the south, an armed communist insurgency, and a string of bombings in Manila linked to the Communist Party. Hours after an alleged assassination attempt on Defense Minister Juan Ponce Enrile on September 21, 1972, Marcos declared martial law suspending the writ of habeas corpus and the 1935 Constitution. With his new powers, Marcos systematically crushed opponents and dismantled civilian institutions that could check his power. He later dissolved Congress and assumed both legislative and executive powers.

Under martial law, the military also assumed unlimited powers to search, arrest, and detain civilians. With these unchecked powers, officers and soldiers committed routine torture of political prisoners and other human rights abuses. (Hernandez 1985; Hernandez and Ubarra 1999; McCoy 1999; Lim 2011) It is estimated that 60,000 Philippine civilians were arrested between 1972 and 1982. (Lim 2011, 5) Due to the constitutional grant of emergency powers, the military also assumed various kinds of responsibilities beyond the maintenance of law and order. Hernandez (1985) described

[25] "Right after declaring martial law, he promoted officers one grade, increased their salaries 150 percent, raised benefits, and set up a company to help them invest their new wealth. In return for their loyalty, he tolerated corruption among top officers, which undermine professionalism and increased inequality within the military. Officers controlled or extorted payment from the black market for dollars; they controlled car-theft rings, marijuana syndicates, illegal logging, gambling, prostitution, fishing, mining, gun-running, and robbery. Smaller racketeers were principally the province of junior-ranking officers and enlisted men whose basic pay and living conditions had not significantly improved." (Thompson 1998, 216)

these new roles and responsibilities:

> The military soon found itself not only keeping law and order, and maintaining internal security, but also managing military-related industries, public corporations and even diplomatic posts, and dispensing justice as well as political patronage. The latter was the consequence of the proscription of political parties and political activities, the disbanding of the legislature, and the imprisonment of many leading politicians soon after the imposition of martial law. The role of dispensing political patronage naturally devolved upon the military as the officers were perceived by the people to have replaced traditional politicians in the political field. (908)

The AFP was no longer the servant of the state, but a spoke within Marcos's patronage network and the bastion of his authoritarian regime. As compensation for the AFP's support, Marcos increased its size and the amount of resources available to it relative to other institutions. In the first four years of martial law, the armed forces budget increased by 500 percent and its strength double to 113,000 troops. (McCoy 1999, 192). The administration of repression had a profound impact upon the military. It inserted the military into every aspect of Philippine life through their new roles, legal and extralegal, politicizing the organization.

Before martial law, the military was not considered a significant power broker in Philippine politics. However, the cycle of repression had the effect of injecting the officer corps into the power structure of society. After taking office, Marcos appointed military officers from his home province of Ilocos Norte to key commands, a process commonly dubbed "Ilocanization" of the AFP. (Lee 2014, 81) He appointed three Ilocanos into prominent positions in the AFP hierarchy—his cousin, General Fidel Ramos, chief of the constabulary; another cousin, General Fabian Ver, commander of the Presidential Security Command (PSC); and a civilian protégé, Defense Minister Juan Ponce Enrile. With civilian political opponents silenced, Marcos began to focus his

attention on potential competitors within the military. Subverting his own commanders, he thus began limiting their political authority through coup-proofing measures. As a result, three factions formed within the Marcos inner circle—General Ver, General Ramos, and Defense Minister Enrile—in order of proximity to the first family. Marcos, a master of factional maneuvering, divided military authority among his three trusted subordinates and then played one against the other. The origins of the rivalry between Generals Ramos and Ver began prior to the declaration of martial law in 1972, when Marcos promised his senior officers that they would be appointed as chief of staff of the AFP in order of seniority—General Romeo Espino first, General Rafael Ileto next, and finally, the youngest, Brigadier General Fidel Ramos. When General Illeto refused to support Marcos's plans for martial law, the president pushed him out and appointed the next in line, General Espino, a former Marcos classmate. (Lee 2014, 87) Once General Espino's term was over, the next in line to succeed as chief of staff would fall to General Ramos. However, rather than alienating either Ramos or Ver, General Romeo Espino served as chief of staff from 1971–1981, typically a three-year appointment extended to ten years. (McCoy 1999; Lee 2011) When Marcos weakened physically, he lost the capacity to balance the factions and the competition between his courtiers intensified. As Marcos health began to fail, the once virile commander-in-chief, left the day-to-day administration to his wife, Imelda Marcos. By her side was General Ver.

General Fabian Ver had the closest proximity to the Marcos inner circle. Often described as Marcos's former driver and bodyguard, Ver was commissioned through the Reserve Officer Training program through a civilian university and had no field experience. Winning the confidence of Marcos during his 1965 presidential bid, then

Captain Ver, performed intelligence work for the campaign. (McCoy 1999, 225) Following the coup-proofing playbook, Marcos entrusted Ver with the most sensitive task of protecting the first family. Ver would go on to build a formidable palace guard and intelligence apparatus to spy on the President's enemies inside and outside the armed forces. (Thompson 1998, McCoy 1999) After Marcos's inauguration, Ver commanded the Presidential Security Unit, a small detachment at the fringe of the military hierarchy. By 1971, Ver skyrocketed from captain to general expanding his portfolio from a small ceremonial guard unit into the elite combined-arms Presidential Security Command (PSC). He transformed the PSC into a multiservice force of seven thousand men, with tanks, helicopters, and patrol ships. He also headed the National Intelligence and Security Agency (NISA), again converting a small analysis unit into a formidable secret police apparatus designed to surveil Marcos's opponents. As the courtier closest to the palace, he made himself indispensable to both Marcos and Imelda. As Marcos's health deteriorated from the onset of lupus, the first family became increasingly dependent on Ver to oversee Imelda's succession to the throne. Incidentally, Ver would be implicated in the alleged military-cover up of Benigno "Ninoy" Aquino's assassination, a potential competitor to Imelda.[26]

Next in proximity was General Fidel Ramos, a United States Military Academy, West Point, graduate. Considered a highly respected professional officer among his men and American counterparts, Ramos was an impediment to Ver's ambitions. (Thompson

[26] There is evidence that Imelda Marcos and General Ver had Benigno S. Aquino Jr. assassinated to get another potential competitor out of the way while Marcos was undergoing a kidney operation that it looked as if he might not survive. Running the government as de facto president for much of 1984 - 1985 while Marcos was convalescing. (Thompson 1998, 222)

1998; McCoy 1999; Schock 2005; Lee 2011) As the chief of the constabulary, Ramos controlled all the country's police forces down to the municipal level giving him a near monopoly over law enforcement and overwhelming political authority. Despite the poor public image of the police, he succeeded in keeping his personal reputation and integrity intact. However, his professionalism and moral authority made Ramos politically suspect to Marcos. Although Ramos was next in line for AFP chief of staff following Espino's retirement, Marcos passed him over in favor of Ver in 1981. Ver's appointment to the position of chief of staff did not sit well with the AFP rank and file, the United States, and especially General Ramos. (McCoy 1999; Lee 2011) As the chief of staff, Ver controlled the three main instruments of state coercion—the AFP, the PSC, and the NISA—making him the second most powerful man in the Philippines. Marcos's decision to position Ver as his number two upset the delicate balance between the rivals.

As one of the original architects of martial law, Defense Minister Enrile had previously been the second most powerful man in the Philippines with aspirations to ascend to the presidency. Contributing to factional competition, the problem of succession loomed in the background, magnifying the rivalry between the Imelda and Enrile camps. Because of his ambitions, Imelda increasingly viewed Enrile as a threat to her throne. Consequently, in 1983, Marcos began another major reorganization of the AFP which would transfer political authority from Enrile and Ramos to Ver. On July 31, 1983, Marcos clarified the civilian chain of authority over the AFP stressing the chief of staff (Ver) was his direct link to the military and the minister of defense (Enrile) could only act upon the delegation by the President. (Hernandez 1985, 911) In short, Marcos removed Enrile from the AFP chain of command, making him the first defense secretary

to be unable to order troop movements. Next, Marcos directed the reorganization of the AFP into twelve Regional Unified Commands (RUCs) with the commanding officer of each RUC reporting directly to Ver, as the chief of staff. Notably, the constabulary regional commands were incorporated (subsumed) under the RUC. The upshot, the reorganization and command shuffling left Ramos with only one protégé among the twelve new area commanders. Marcos then removed operational control of the Integrated National Police (INP) from the constabulary (Ramos) and transferred it directly under the AFP chief of staff (Ver); the PC only had administrative supervision, not operational control, over the INP. (McCoy 1999, 228) In essence, Marcos stripped Ramos of his last operational units and put them under the command of Ver. Finally, Marcos centralized the armed forces' budget under the chief of staff, denying all the service branches, including the constabulary, control over their own finances. (McCoy 1999, 228) As a result, Marcos transferred all manager rights previously held by Enrile and Ramos (and the other service chiefs) to the more "reliable" Ver.

While Ramos continued to be a loyal subordinate, Enrile was openly hostile. Following Ver's promotion to chief of staff, Enrile began building his own armed faction exploiting rising resentment among the AFP's middle-ranking officers. These officers felt disaffected by the widespread corruption and promotions based on favoritism. (Thompson 1998; McCoy 1999; Lee 2011) For example, Marcos permitted officers to "overstay" past mandatory retirement through the repeated application of six-month extensions. This practice allowed Marcos to more easily command the obedience of top officers, as "overstaying" officers were easier to control than those whose tenures had no yet expired. According to Thompson (1998), the pervasiveness of this practice is

demonstrated by the sixteen-month average tenure of top officers under the democratic regime as opposed to over one hundred months during Marcos's dictatorship. (216) Moreover, "overstaying" officers delayed, once predictable, promotion cycles of younger year groups. The manipulation of the personnel system removed any predictability to project career paths and frustrated junior and mid-level officers on the frontlines who had performed the dirty tasks of enforcing the martial law edicts. With the encouragement of the now defunct defense minister, the Reform the Armed Forces Movement (RAM) was started in 1982 nominally headed by Enrile's chief security officer Lt. Colonel Gregorio Honasan. (Snyder 1998; Hernandez and Ubarra 1999; McCoy 1999; Lee 2011) By 1986, approximately 1,500 of the military's 13,500 officers were members of the RAM. (Snyder 1998, 75) On 22 February 1986, in the context of widespread public outrage over Marcos's use of violence and fraud during the presidential election, officers affiliated with RAM launched a coup against Marcos. Events would transform their abortive coup plot into a mass uprising.

As the cycle of repression predicts, opportunism will impact ex post enforcement of the political bargaining between the dictator and the military. AFP opportunism necessitated the assumption of more political property rights and greater autonomy from Marcos. For Marcos, opportunism entailed withdrawing political property rights promised in the political bargain. The application of violence granted the AFP unprecedented powers over the daily lives of Filipinos. With civilian political opponents cowed, Marcos began to worry about potential rivals within the AFP. To curb military opportunism, Marcos began restructuring the relationship by applying integration coup-proofing strategies designed to bind the officer corps to his regime. The classic tactics he

employed included kinship recruitment, individual opportunities of self-enrichment, reshuffling of officers at critical junctures (or in some cases delaying), and establishment of a special parallel armed forces. Consequently, the political property rights the military widely received during the early onset of martial law were slowly curtailed and redistributed to a smaller subset of loyalists. The combination of opportunistic coup-proofing and the selective narrowing of political property rights to Marcos's inner circle sullied his reputation and credibility to commit in future bargains.

1986 People Power Movement

During the 1986 People Power Revolution, also known as EDSA Revolution,[27] over a million Filipinos took to the streets to overthrow the corrupt and brutal regime of President Ferdinand Marcos. The trigger of popular resentment toward the regime of President Marcos can be traced to the assassination of Benigno "Ninoy" Aquino in August 1983.[28] A long-time political rival of Marcos, Ninoy Aquino was assassinated, while in the custody of the AFP, upon his return to the Philippines from self-imposed exile in the United States. Aquino's assassination shifted public sentiment from passive acceptance of the Marcos regime to active opposition from across society to include the traditional elites, the business community, and the Catholic Church. A wave of

[27] Defense Minister Juan Ponce Enrile and General Fidel Ramos defected from the Marcos regime and seized Camp Crame and Camp Aguinaldo, two military bases located across each other midway along Epifanio de los Santo Avenue (EDSA).

[28] With presidential succession in question due to Marcos's failing health, opposition leader Benigno "Ninoy" Aquino, who was living in the United States following his exile in 1980, decided to return to the Philippines in 1983. Aquino had spent his years in exile lobbying the U.S. government to withdraw support from the Marcos regime. (Schock 2005, 69)

antigovernment protests ensued in the subsequent months destabilizing the Marcos regime. Concerned with political stability, the United States pressured Marcos to call early elections. In November 1985, Marcos called for snap elections to be held the following February. In response, the opposition united under the banner of United Democratic Opposition (UNIDO), with Corazon "Cory" Aquino, Ninoy Aquino's widow, as its candidate. Aquino and UNIDO received crucial backing from the Catholic Church. Engaging in massive electoral fraud, on February 15, 1986, Marcos had himself declared the winner with 53.8 percent of the vote. (Shock 2005, 77) The following day, Cory Aquino led a rally of approximately two million people, proclaiming victory for herself and "the people." To upend the Marcos regime, Aquino and her supporters called for a general strike to start on Marcos's inauguration day on February 26.

The beginning of the end of the regime, however, played out when Marcos lost the vital support of the military. Before the planned campaign of civil disobedience by Aquino's followers, Defense Minister Enrile and members of the RAM had planned an attack on the Malacañang Palace. After the coup plot was discovered, Enrile led two battalions of soldiers in a mutiny on February 22, 1986, barricading themselves in Camp Crame and Aquinlado. The mutineers were later joined by General Ramos, who commanded the loyalty of the police forces securing the capital. Enrile and Ramos then announced their withdrawal of support for President Marcos. In the late hours of February 22, Cardinal Jaime Sin made an appeal over the Catholic station Radio Veritas to the people to support the mutineers. Crowds converged on Epifanio de los Santos Avenue (EDSA), the thoroughfare in front of the gates of Camps Crame and Aguinaldo. Troops still under the control of pro-Marcos officers responded swiftly to quell the

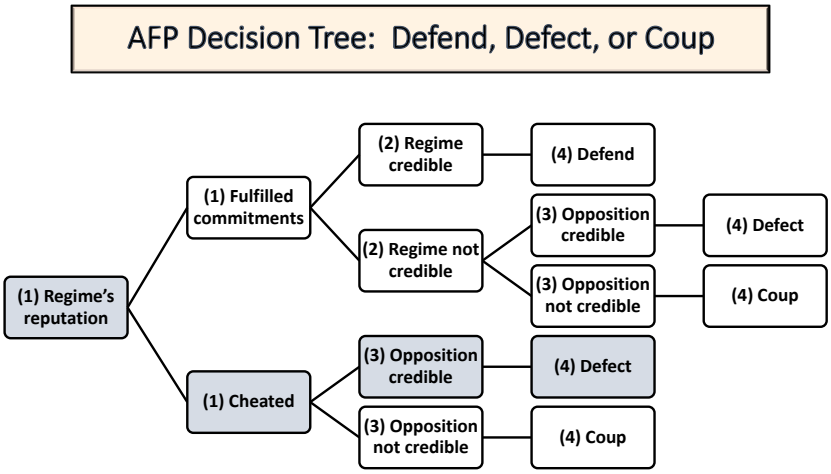
rebellion. However, once in place, the troops refused to fire on the crowds forming a human barrier in front of the camps. After four days of mass protests, the United States formerly pulled its support of the regime and offered Marcos exile in Hawaii. His flight from Clark Air Base unceremoniously ended President Marcos's reign.

Defend, Defect, or Coup: Decision to Defect

In making the determination to defect from Marcos and support the opposition, various factions of the AFP weighed Marcos's reputation and the opposition's credibility in securing the military's political property rights, see Figure 10, decision point (1) and decision point (3). Finding the regime no longer a credible partner in a political pact and the opposition credible, the majority of the AFP decided to defect from the regime. The abortive coup by officers in the RAM could have led to a drastically different outcome if one man, General Ramos, had not defected.[29] General Ramos's game-changing decision to defect had a cascading effect inspiring more defections, mass popular support, and the end of the regime. Why did General Ramos, a cousin of Marcos and loyal military man, decide to defect?

[29] Upon joining the mutiny, Ramos made the public statement urging "the Armed Forces of the Philippines and the Integrated National Police to disobey all illegal orders of whoever is giving them. I consider any assault on the people, the firing upon unarmed and unprotected civilians as partaking of illegal orders." (Lee 2014, 62-63)

Figure 10. AFP Decision Tree



* Credible political actors own the political property rights in the exchange and are able to commit to obligations of the contractual agreement.

Decision point (1): Marcos's Reputation in Securing the Military's Property Rights

The first consideration is the dictator's reputation in fulfilling previous contractual obligations. Did the dictator follow-though on the contractual commitment? Or did the dictator cheat the military of previously negotiated political property rights? As the previous discussion revealed, Marcos defaulted on the civil-military bargain established during the martial law period. To curb the opportunism of the AFP, Marcos began restructuring the relationship to limit the manager rights of his military men. What mattered most in gaining and maintaining political property rights in the regime was the proximity to the first family. As Thompson (1998) suggested, "the [Marcos] government was little more than a 'protection racket' run by the first family, their relatives, and their friends." (208) Consequently, the political property rights the military widely received during the early onset of martial law were slowly curtailed and redistributed to a smaller

subset of loyalists. While Marcos continued to subvert the military hierarchy to ensure its loyalty to him, those benefiting from the "protection racket" became narrower and narrower. The combination of opportunistic coup-proofing and the selective narrowing of political property rights to Marcos's inner circle sullied his reputation and credibility in future bargains.

Marcos's machinations and lack of commitment were most evident in his treatment of his cousin, General Ramos. If Marcos had kept his promise and followed the norms of military appointments, Ramos would have filled the office of Chief of Staff in 1981 instead of Ver. When General Ver was indicted for Ninoy Aquino's assassination in late 1984, Marcos put Ver on extended leave and temporarily appointed Ramos acting chief of staff. As acting chief of staff, Ramos tried to institute reforms, but found that General Ver would reverse his orders. Although on administrative leave, Ver held informal authority inside the palace walls. To add insult to injury, throughout Ver's long trial, Marcos curtailed Ramos's ambitions by constant reminders of his culpability in human rights violations committed under his command.[30] In the months leading up to the EDSA movement, Enrile and RAM officers had made overtures to General Ramos to join their rebellion, but each time he rebuffed their request to join in their plot. When the courts found Ver not guilty in Aquino's murder in December 1985, Marcos immediately reinstated him as chief of staff. Ramos bitterly stated, "It became clear that there was no intention of removing General Ver from his office." (McCoy 1999, 228-229) By mid-

[30] A commission of inquiry cleared Ramos of any wrongdoing in PC and Civilian Home Defense Forces militia massacre of demonstrators in the southern town of Escalante, Negros Occidental, in September 1985. Ramos commented, "He [Marcos] kept saying that I could not be assigned as chief of staff because I had this case against me." (McCoy 1999, 228)

February 1986, General Ramos, a lifelong Marcos loyalist was ready to break with his cousin. Just days before the EDSA revolution, Ramos went to Malacañang Palace to request Marcos clarify his status within the regime—Marcos had originally announced Ramos's appointment as chief of staff, then waffled, and finally withdrew the promotion. Ramos left the palace exasperated and disillusioned, doubting he had any future in the regime as Ver's subordinate. When Enrile phoned Ramos on February 22, 1986, the first day of the revolt, entreating him to join the mutiny, Ramos replied, "I am with you all the way." (McCoy 1999, 243) Ramos had concluded Marcos would never uphold his end of the bargain.

Decision point (3): Opposition's Credibility in Securing the Military's Property Rights

Finding that Marcos's regime had not upheld previous bargains, the military next considered the credibility of the opposition, decision point (3). First and foremost, does the opposition own the political property rights in the exchange? Although Marcos encountered some resistance, most political rivals were largely silenced and opposition political parties were in disarray. The martial law period made moderate opposition forces impotent, as most opposition leaders were imprisoned, in exile, or co-opted. (McCoy 1999; Thompson 1998; Snyder 1998; Shock 2005; Chenoweth and Stephan 2011) Over time, disillusionment with Marcos's rule had produced division between those who had benefited from Marcos's rule and those who had not. Consequently, elite cleavages had emerged between Marcos's cronies and the traditional elite. With the assassination of Ninoy Aquino in 1983, the opposition was finally coalesced and spurred into action. For example, an estimated two million people from all socioeconomic

classes showed up to witness Aquino's funeral procession. (Schock 2005, 73) As an aftermath of Aquino's assassination, the anti-Marcos opponents redoubled their efforts to mobilize. The middle class, the business class, and traditional politicians were finally beginning to oppose Marcos overtly. (Schock 2005; Chenoweth and Stephan 2011) A wave of antigovernment protests ensued in the following months destabilizing the Marcos regime. Concerned with political stability, the U.S. government pressured Marcos to call early elections. Bending to American pressure, Marcos called for snap presidential elections for February 1986. The moderate opposition, to include the traditional elites, responded by rallying behind Aquino's widow, Cory Aquino, to run against Marcos's patronage machine. On election day, Marcos responded to the popular support for Cory Aquino by engaging in massive electoral fraud. In contravention of the popular will of the people, Marcos had himself declared the winner. Not permitting Marcos to steal the election, the Aquino camp mobilized her millions of supporters to launch a civil disobedience campaign. Bolstering the credibility and legitimacy of Aquino's presidency were two influential supporters, the Catholic Church and the United States government.

With more than 85 percent of the Filipino population fillings its pews, the Catholic Church played a crucial role in the People Power campaign. (Lee 2014, 93) The Church clergy opposed martial law denouncing the regime's use of torture and other human rights abuses. Because the Marcos regime had decimated or subverted the formal and informal institutions of power, the only institution that had maintained its independence and coherence during his dictatorship was the Church. Consequently, the Church became an important channel for the political opposition. For instance, frequent

denial of government permits for assembly led many in the opposition to hold their protests in churches. An important figure in the Church hierarchy, Archbishop Cardinal Jaime Sin, played a pivotal role in promoting the convergence of members of the reformist opposition and their contact with anti-Marcos military officers. (McCoy 1999; Schock 2005; Lee 2011) On Jan 19, 1986, Sin issued a pastoral letter calling on the population to vote for candidates who were "honest and respected human rights." (Schock 2005, 77) The Church also urged Catholic voters to "combat the conspiracy that threatened to thwart the peoples' will during the election." (Schock 2005, 77)

From the inception of Marcos's presidency, the American government had been a strong supporter of the regime. Entangled in the Vietnam War, Washington viewed Marcos as a reliable partner in the fight against communist extremism. Following the declaration of martial law, Marcos reassured Washington it could keep the two strategic American military installations in the Philippines (Clark Air Base and Subic Naval Station). Accepting Marcos's argument that "emergency rule" was necessary to defeat the communist threat and achieve political stability, Washington turned a blind-eye to Marcos's naked power-grab and increased its assistance to the regime. (Thompson 1998, 224) In the first four years of martial law, the Washington doubled military aid to $45 million annually, providing ample resources for the expanded military mission. (McCoy 1999, 192) After 1983, Washington policy makers began to question their continued support of Marcos's dictatorship. Marcos's failing health, the Aquino assassination, rising public resentment, divisions within the AFP, and the growing communist insurgency,[31] raised warning flags for the Reagan administration regarding the viability

[31] Notably, the communists' rural-based insurgency grew from several hundred troops before martial law to

of the Marcos regime. Washington strategists determined the most likely beneficiaries of the popular discontent would be the communist extremists. Changing policy, Washington began pressuring Marcos to hold fairer elections. (Thompson 1998, 228) After Marcos's fraudulent election triggered a popular revolt, the United States found it had only one option—to withdraw its support of Marcos and back the "moderate" Aquino coalition. According to Snyder (1998),

> the Aquino coalition was a viable successor to Marcos because of its organizational coherence and broad popular support. The presence of an acceptable and viable civilian alternative enabled the United States to influence the transition in the Philippines by using it leverage over Marcos to usher him out of power and to ease in the moderates." (76)

Action point (4): Defect

As Enrile deduced years early, Ramos finally came to the realization Marcos would never uphold his end of the bargain. Marcos was a cheater and the AFP would be better off breaking from the regime. Furthermore, with an electoral mandate, the moral support of the Catholic Church, and the backing of the United States, Cory Aquino could legitimately form a government once the crisis ended. Moreover, just as Washington had assessed, the military determine the "moderate" Aquino coalition would be an "ideologically" reliable partner in fighting extremists. Thus, Enrile and Ramos concluded that the opposition could credibly commit to a political bargain and guarantee the military's political property rights. The two men decided to defect from Marcos and support the new Aquino government bringing the majority of the AFP with them. By the end of the EDSA movement, nearly 90 percent of the AFP had defected and joined the

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eight thousand soldiers by 1980, reaching twenty thousand strong by 1983. (Thompson 1998, 227)

mutineers, no doubt, because of the example General Ramos had set. (Lee 2014, 66)

Exiting the Cycle of Repression

On February 25, 1986, President Corazon "Cory" Aquino took the oath of office at Club Filipino and in her first official act, appointed Ramos chief of staff of the AFP and Enrile minister of defense. When asked why she appointed Enrile, she replied that "there was no one in the opposition who would have been accepted and respected by the military. Also, I wanted to show my gratitude." (McCoy 1999, 254) Held up in Camp Crame, protected by a layer of Aquino supporters, his strategic disadvantage forced Enrile to reassess his plans for a junta and acknowledge Aquino as the revolution's "moral leader." (McCoy 1999, 254) With Marcos effectively removed, Enrile and Ramos began brokering a deal with Aquino's advisors over the division power. One point of contention during the negotiation was the location of Aquino's inauguration—both Enrile and Ramos were insistent on having the swearing in ceremony at Camp Crame. Aquino held firm, "No way am I going to be installed in a military camp for my proclamation because that would just give everyone the wrong impression…to be sponsored into office by a military coup." (McCoy 1999, 254) Instead, she insisted on taking the oath at Club Filipino, the historic home of party politics, to symbolize the mandate she had won in the election. (McCoy 1999, 254) Despite the symbolism of her inauguration, Aquino's coronation was due in part to the military backing she had received from Enrile and Ramos. Without their endorsement, her presidency would have struggled to survive. While Aquino needed military support, the military defectors were equally beholden to

Aquino and her civilian followers to legitimate their mutiny. Entering an alliance with Aquino was the mutineers' best option, at least temporarily. (Snyder 1998, 76-77) Entering an uncomfortable pact, these political rivals formed an administration with contradictory goals for the fledgling democracy.

Although the People Power Movement ended Marcos's dictatorship, Cory Aquino's presidency did not mollify the dangerous divisions and armed factions created by her predecessor. She had to simultaneously confront, reverse, and prevent the effects repression. This meant, paradoxically, controlling an institution she was indebted to for propelling her into political office. Challenging civil-military relations, President Aquino took office determined to restrain a military that had grown unruly during Marcos's dictatorship. Aquino moved to aggressively pursue transitional justice in her first months appointing several human-rights lawyers to her cabinet and appeared resolute to the issue. She established the Committee on Human Rights, signed the United Nations Convention Against Torture, abolished Marcos's martial law decrees, and drafted a new constitution. The Human Rights committee began documenting thousands of past violations and filed hundreds of cases, largely against serving military officers. (McCoy 1999, 261).

After years of large military budgets, unaccountability, and impunity, many in the military resented Aquino's civilian administration. The Aquino government survived seven coup attempts in a three-year period, some by the members of RAM. According to a Fact-Finding Commission tasked to investigate the December 1989 coup, military dissatisfaction stemmed from several factors. (Hernandez and Ubarra 1999, 12-13) Some were internal to military operations such as inadequate pay and benefits, favoritism in promotions and assignments, and discriminatory treatment in the case of Marcos

loyalists. Some grievances, however, stemmed from the military's overall impression of the "civilian" administration's lenient strategy in solving the communist insurgency problem and the unequal treatment of human rights violations among soldiers. (Hernandez and Ubarra 1999, 12-13) One military analyst argued that the coups against Aquino were caused, ultimately, by a Human Rights Commission that "only concerned itself with…violations by soldiers." (McCoy 1999, 261) Arguably, the unrelenting series of coup attempts were a coercive means to renegotiate the political bargain as some military factions did not like the initial terms of the deal.[32] One political concession the military establishment greatly desired was impunity—they wanted their human rights violations under the Marcos regime to go unpunished. Plagued by multiple military coups attempts, Aquino's government conceded and abandoned any attempt to prosecute the military for past crimes of torture and murder. Subsequent administrations transformed this impunity from de facto to de jure status both legally and symbolically absolving the military of crimes committed under the Marcos dictatorship.

In conjunction with the challenges of transitional justice, President Aquino faced the monumental task of rebuilding democratic institutions that were either destroyed or weakened by Marcos. Drafting a new constitution was essential to laying a democratic foundation for state-building. She appointed a Constitutional Commission of 50 distinguished citizens to draft a new constitution that would be ratified through a national plebiscite. The 1987 constitution codified the norms of democratic governance: affirming the Bill of Rights, setting limits on emergency powers of the president,

[32] There is evidence that the plots by RAM against the Aquino government were supported by leading opposition politicians, particularly Enrile. (McCoy 1999; Hernandez and Ubarra 1999)

prohibiting political dynasties by setting term limits, and reasserting civilian supremacy over the military. On February 2, 1987, an overwhelming 90 percent of the voting population participated in the nationwide plebiscite, 76.30 percent voted to ratify the Constitution. (Hernandez and Ubarra 1999, 8) According to Hernandez and Ubarra (1999), the plebiscite became a referendum on the Aquino presidency—"A vote for the constitution was a vote for Cory." (8) Up until the plebiscite, Aquino's assumption to power had been highly contested by Marcos loyalists and rogue military factions that had been sidelined after the EDSA movement. Consequently, the overwhelming vote to ratify the Constitution was a legitimizing function for the Aquino presidency.

Several provisions in the 1987 constitutions directly addressed the reassertion of civilian supremacy over the military—these new rules would clarify both owner and manager rights. In clarifying owner rights the constitution created explicit rules for the presidency. First, it prohibited the formation of political dynasties by setting rules on term limits and reelection. The presidency would be limited to one six-year term. In short, owner rights would pass to another civilian authority after one term. This norm would constrain the president from transforming a national army into a personal army since the military would not be invested in a single person to secure its political property rights. Additionally, the constitution set limits on the president's emergency powers. Specifically, the emergency provision in Article VII, Section 18 of the Constitution which ensured the president cannot declare martial law and suspend the writ of habeas corpus without checks and balances from the Congress and Supreme Court. (Hernandez 1988, 155) The addition of legislative and judicial participation in determining the emergency would be a major safeguard against abuse of presidential powers since no

single institution could unilaterally suspend civil and political rights. The upshot, unlike 1972, the commander-in-chief would find it difficult to collude with military elites to monopolize political authority.

Next, the new constitution clarified the military's roles and responsibilities—these measures were attended to assert civilian owner rights and over the AFP. These new provisions bifurcated owner and manager roles by creating a constitutional barrier for military elites to participate in non-defense matters which properly belonged in the civilian sphere. These constitutional provisions included prohibiting military participation in politics (with the exception of voting) and barring active duty officers from serving in a civilian position in government. (Hernandez 1988, 156) Next, the new constitution reaffirmed the role of the AFP in securing the sovereignty of the national territory and shifted the responsibility of domestic security to a civilian agency. Specifically, Article XVI, Section 6 separated the police and constabulary forces from the AFP and placed them under the control of the department of interior and local governments. (Hernandez 1988, 156) This also had the salubrious effect of diffusing owner rights, or political authority over the country's various police forces—in essence balancing forces between the military and civilian sectors. Finally, codifying the rules and roles would also secure and strengthen the military's manager rights.

Conclusion

During his tenure, Marcos initiated a cycle of repression that would transform a constitutional-controlled army into a patron army. After coming to power in 1965,

Marcos had little intention of giving up office. His initial acts as president were to install his own men into key positions in the AFP, creating a "parallel command" of loyalist. President Marcos involved the military in every aspect of authoritarian rule—censorship, repression, and governance. After serving his first term, Marcos expanded his power by declaring a state of martial law in 1972. Backed by his generals, Marcos wiped out local armies, closed congress, and confiscated corporations. His military loyalist became corporate managers, civil servants, local officials, and judges. While martial law bolstered Marcos' presidency—it also sowed the seeds of his eventual demise—giving the military establishment new found powers and ownership. Realizing his vulnerability, Marcos began to undercut the military's political property rights to check the power and independence of the military. He actively created rivalries among his top generals and publicly chastened officers that were a threat. These actions created a dangerous split among the officer corps. Military officers that perceived they were next to be purged were more willing to risk "rocking the boat" and attempt a coup d'état. These factions found willing supporters, benefactors, and allies in their coup plots. This is the situation Marcos found himself in 1986 when the People Power Movement left his regime vulnerable to opposition political forces, mass military defection, and his removal from office. The demise of Marcos's regime was due to the confluence of several factors—the coalescing of the traditional elites behind Cory Aquino's candidacy, the Catholic Church's ability to mobilize its flock against the regime, the American government's loss of confidence in the regime, and finally the defection of the AFP.

The administration of repression had a profound impact upon the military—inserting it into every aspect of Philippine life. Before the cycle of repression, the

military was not considered a significant power broker in Filipino politics. After gaining unrestrained political authority, checked only by the mercurial favoritism of Marcos, the officer corps attained their membership among the political elite. The legacy of Marco's cycle of repression continued to shape democratic politics during the transition and beyond. Aquino's fledgling administration faced several coups attempts from disgruntled military soldiers, ultimately, impacting her policy agenda. Moreover, General Fidel Ramos became President Aquino's successor signifying the ascent of the military elite into politics. As president, Ramos appointed five retired officers to his cabinet and a hundred more to senior positions in his government. According to McCoy (1999), "many had been implicated in Marcos-era repression, and their influence over time, reversed Aquino's commitment to human rights and redress for the victims." (301)

CHAPTER 5

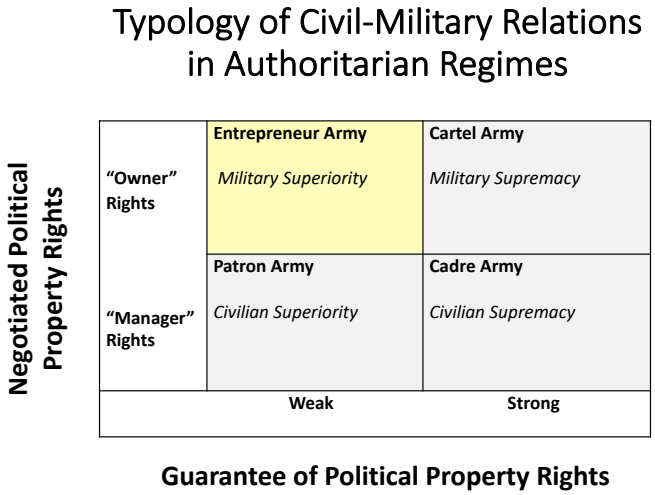
ENTREPRENEUR ARMY: SUKARNO AND THE INDONESIAN ARMY

Entrepreneur Army (Military Superiority)

In some authoritarian systems, neither civilian leaders or military elites have a clear monopoly of power or owner political property rights—that is political authority is heavily contested. Contributing to political uncertainty there are influential segments within society such as business and landed elites, as well as politically salient identity groups (ethnic or religious) that are contesting, sometimes violently, political property rights. In political environments that are deeply polarized, co-optation via party or patronage systems may be difficult to employ or ineffective. Consequently, the dictator must rely on repression to maintain hold of political authority tipping the bargaining scales toward the military. Svolik (2012) noted "Regimes that frequently face mass, organized, and violent opposition must integrate their militaries within their repressive apparatus by granting them corresponding material and institutional resources." (125) Due in part to the internal threat environment and other historical junctures, the armed forces have gained a large share of ownership, and thereby, have a strong bargaining position vis-à-vis the civilian political leader. Overreliance on the military leads to the military establishment expecting an unequal share of ownership of the political property rights. Eventually the civil-military arrangement transitions to an entrepreneur army. Like other political entrepreneurs (McCaffrey and Salerno 2011, 552), the military designs civil-military institutional arrangements to exploit opportunities to profit from the

political system. Extending this definition, an entrepreneur army seeks to exercises control and ownership of the governance rents of the state through civilian intermediaries.

Figure 11. Entrepreneur Army Type



The hierarchy between ruler and army is contingent upon maintaining the asymmetric relationship. The hierarchical order becomes compromised when actors in the relationship are no longer mutually dependent and contractual enforcement breakdowns. As a result of the breakdown, the master-servant paradigm can become inverted, in such cases, the military has the position of privilege and becomes the master. The subordination of the military to civilian authorities is near impossible with entrepreneur army institutional arrangements. The military elite have secured their manager rights controlling all aspects of military affairs from budget, promotions, appointments, and military indoctrination. Additionally, they have gained a preponderance of owner rights. The upshot, they have an inordinate amount of input over

administrative aspects of the state beyond the purview of the military. Consequently, civilian authorities have minimal say in security activities and rely on military support or acquiescence to govern the state. This creates a situation in which civilian preferences are subordinate to the preferences of the military establishment—there is military superiority.

Several scholars have observed civil-military relationships in which militaries influence politics or govern from behind the scenes— Perlmutter's (1969) "arbitrator army," and Cook's (2007) "military-dominated state." In other words, they present a façade of civilian governance while often governing from out of sight from the public. Perlmutter's (1969) "arbitrator-type army" rule in cooperation with civilians. If the arbitrator army rules, it is temporary and arranges to handover the government to an "acceptable" civilian regime. Moreover, "the arbitrator-type army does not necessarily relinquish its political influence when it returns to the barracks; in fact, in many cases, it acts as guardian of civilian authority and political stability." (Perlmutter 1969, 393) Similarly, as Cook (2007) explained in his examination of several military-dominated states such as Turkey, Egypt, and Algeria. These militaries are "ruling but not governing," intending to insulate themselves from the vicissitudes of governance. As underscored by the thoughts of Algerian commanders:

> This was not merely a matter of preference, as the officer corps devoted its energies to developing a modern, professional fighting force, but a matter of survival. Exposure to the vicissitudes of politics, the Algerian commanders believed, would unnecessarily jeopardize their coherence—a crucial component of their power. As long as the public face of the government was not specifically that of the military, opposition would be directed toward other political actors, notably the FLN [National Liberation Front]. The benefit of Algeria's political façade is thus obvious: the officers need not govern, though they retain their position as society's undisputed power brokers. (Cook 2007, 42)

Although these militaries relinquished everyday governance to civilian leaders, they remained military-dominated states. These generals were content to return to the barracks because they oversaw a system that ensured the predominance of the military establishment. As such, the institutional arrangements would allow the military elite to share ownership with civilian authorities, as an entrepreneur army. "Institutions are not necessarily designed for efficiency, but rather to preserve the power, prestige, privileges, and importantly distributional advantage of the dominant elite and its allies at the expense of society." (Cook 2007, 6) Thus, the institutional framework preserved the military's core interests regarding the economy, security policy, state apparatus, and nationalism. Cook concluded establishing effective civilian control is much more than a "return to the barracks" if the military remains the nexus of state power. These deliberate civil-military designs are not limited to states in the Middle East. O'Donnell and Schmitter (1986) also noted that the authoritarian transitions in Latin American involved negotiated pacts between political and military elites to return the military to the barracks. Others also recognized the tremendous political influence Latin American militaries retained during and after authoritarian transitions which subsequently impacted democratic consolidation. (Pion-Berlin 2001; Trinkunas 2001)

The Sukarno Regime and the Indonesian Army

Over its history, the Indonesian military has gone by two names—*Tentara Nasional Indonesia* (TNI) and later *Angkatan Bersenjata Republik Indonesia* (ABRI) to

reflect the integration of the national police force.[33] To avoid confusion, neither acronym will be used in this study. Since the formation of the Indonesian armed forces in 1945 during the revolution against Dutch rule, it has been oriented towards political participation. According to Crouch (1978), the military withdrew to the barracks briefing following the revolution but reappeared on the political stage when military officers became an important partner in President Sukarno's Guided Democracy government. (161) According to military mythology, the Indonesia armed forces was not just another institution of the nation—it was responsible for the nation's creation. From the revolutionary period onward, the military conceived of itself as the "people's army." (Crouch 1978, Honna 1999, Mietzner 2009, Croissant and Kuehn 2009) During the revolutionary period, unlike their civilian counterparts, the military had not compromised in the fight against Dutch colonial forces winning Indonesia's independence. This mythology has supported the military's entitlement to participate in government and an inherent disdain for civilian politicians. (Mietzner 2009, 37-38) This prerogative became doctrine with the concept of the "Middle Way," formulated by General Nasution, the army chief of staff. Blurring the distinction between military and political functions, according to the "Middle Way" the military would "neither seek to take over the government nor remain politically inactive." (Crouch 1978, 24)

After officially gaining independence in 1949, the nascent Indonesian democracy struggled to govern one of the most socially diverse countries in the world. Reflecting

[33] In June 1947, the Indonesian Armed Forces was officially name *Tentara Nasional Indonesia* (Indonesian National Armed Forces), or TNI. It was renamed *Angkatan Bersenjata Republik Indonesia* (Republic of Indonesia Armed Forces), or ABRI, in June 1962 when the Indonesian National Police was integrated organizationally under the Armed Forces. After Suharto's New Order regime fell, the Indonesian National Police was separated from the Armed Forces and the Armed Forces reverted back to TNI.

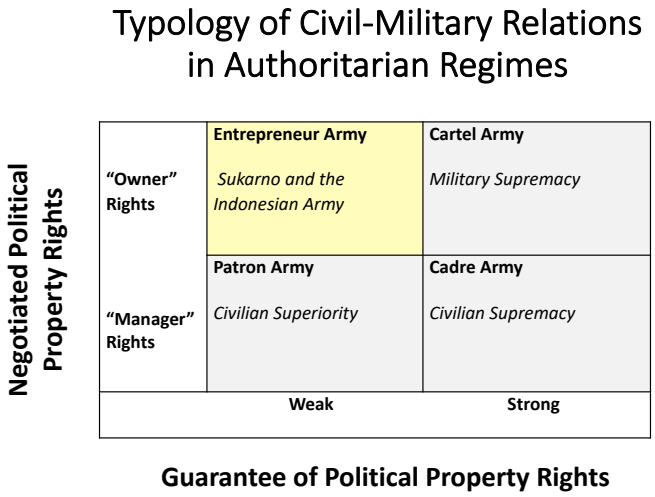
this diversity, four major political and social organizations emerged from Dutch rule—the Indonesian Nationalist Party (PNI), the Indonesian Communist Party (PKI) and two Islamic organizations——the Nahdlatul Ulama (NU) and the Masyumi with memberships in the millions. Moreover, Japan's wartime occupation and the subsequent war for independence against the Dutch brought a fifth critical player—the Indonesian national armed forces. Following independence, a parliamentary system of government was put into practice with the Provisional Constitution of 1950. However, a proliferation of political parties challenged the functioning of the parliamentary system with civilian politicians unable to broker stable coalition governments which was evident by the rapid turnover with 17 cabinets forming between 1945-1958. The inability of coalition governments to overcome party differences led to widespread disillusionment with democracy, to include figurehead president, Sukarno. An important critic of democratic politics was the Indonesian military which worried divisive party politics would destroy the new nation it had just fought to create. In order to deal with national challenges, such as regional rebellions, Sukarno in partnership with the Indonesian military disbanded the parliamentary system, introduced "Guided Democracy," and established martial law in 1957.

Entrepreneur Army Institutional Arrangements

Sukarno's dictatorship was due in part to his partnership with the Indonesian military. The political instability of the liberal period (1945-1957) convinced the two political actors that forming a partnership was the best assurance against political uncertainty and protecting their political property rights. This partnership or pact began a

cycle of repression in which the military eventually gained the upper hand in bargaining power. After forming their alliance, the civil-military institutional arrangement fell within the entrepreneur army type as the military held substantial owner rights. Additionally, the guarantee of those rights was violently contested by other actors and enforced through military repression.

Figure 12. Sukarno's Guided Democracy Civil-Military Institutional Arrangements



Horizontal Dimension. This dimension measures the degree political property rights will be secured ex post and consists of two components: 1) the level of contestation of political property rights, and 2) the level of credible commitment to the agreement by the actors in the exchange.

Firstly, political authority and the attached political property rights were highly contested in the newly independent Indonesia. Emerging from Dutch rule, there were five major political and social organizations that jockeyed for power during the liberal

period (1949-1957). Elections under the parliamentary system produced four major parties—two secular and two Islamic parties—garnering relatively equal support. The structure of society, electoral rules, combined with the parliamentary system yielded a string of shaky coalition governments. Above this unstable arrangement sat President Sukarno who was relegated to a figurehead status under the 1950 Parliamentary constitution. Fearing parliamentary (party) politics would tear the new republic apart, Sukarno and the military brokered a deal to dispense with democratic politics and govern together. The partnership only served to artificially suppress the contestation of political authority as it did not eliminate the highly polarized structure of Indonesian society.

Next, Sukarno and his military partners did not credibly guarantee political property rights or follow through on their pact since the partnership was not reinforced by credible commitments or mutually binding enforcement. Neither actor invested completely in the longevity of the relationship. On one hand, unsure about the long-term viability of the Sukarno relationship, the military sought to limit its dependency on Sukarno by increasing its sphere of autonomy. On the other hand, Sukarno was always aware he was vulnerable to a threat of a military takeover. Consequently, he sought to balance the power of the military by elevating another political actor—the communist party. The act of counterbalancing would infringe upon the political property rights of the military and the political pact. Beginning a precarious period of political balancing in 1960, Sukarno invited the PKI back into government as a counterweight to the military.

Vertical dimension. This dimension delineates the institutional arrangements, or agreed upon political property rights, negotiated by the regime and the armed forces over time. Negotiated political property rights consist of two types of political property rights:

1) owner rights and 2) manager rights.

Firstly, the pact with Sukarno formed a co-equal partnership with the military. However, over time the military would amass the preponderance of owner rights. With this partnership, the military had political authority in various aspects of governance—administration, policy, and economics. (Crouch 1978; Mietzner 2009, 2011; Croissant and Kuehn 2009) The partnership began in full earnest when General Nasution, the army chief staff, advised Sukarno to declare martial law in March 1957. Consequently, military commanders obtained extra-constitutional powers and many officers held leadership positions of local administrations, particularly in West Java and the Outer Islands. Additionally, as members of the National Council chartered in May 1957, the Indonesian military actively participated in finding a new format for the post-democratic regime. Contributing to the military's owner rights, the military was also given direct access to the economic resources of the state. For example, in December 1957, Nasution commandeered control over a large number of Dutch businesses that had been occupied by protesting workers. (Mietzner 2009, 47-48) Accepted as the new norm, the military's assumption of civilian powers and participation in policy making did not end with the lifting of martial law.

Secondly, as head of state and government, Sukarno had limited authority over the military. Because of the organizational structure and financial autonomy of the military, he was unable to relegate the military elite's political authority to only manager rights, or establish owner rights over the military hierarchy. During the revolutionary period, the military's leadership put in place a decentralized territorial command system. Because of Indonesia's geography, financial condition, and insufficient modern

equipment, the Indonesian military relied on a network of micro-units with roots in the local population. These micro-units were placed alongside the hierarchy of the civilian administrations, so that every military command had a civilian counterpart. (Mietzner 2009, 2011; Croissant and Kuehn 2009) The most crucial aspect of the territorial command system, was the principle of self-financing. Although the government was supposed to provide the armed forces with a regular defense budget, the limited availability of state monies and the ongoing political conflicts with the party elites convinced the armed forces to continue with their own fundraising efforts. Mietzner (2009) noted the unintended effect of insufficient state funding, drove regional commanders into "sensitive areas of smuggling, rent-seeking, extortion, and business alliances with local entrepreneurs." (48) The military's decentralized organizational structure and off-budget funding made it difficult for President Sukarno and even the military's top echelon to control these autonomous units.

Entering the Cycle of Repression

After the declaration of independence in August 1945, the great majority of Indonesian political leaders were outwardly dedicated to the creation of a parliamentary democracy; however, the struggle over ideology would prove to be divisive. Various groups fought over the ideological foundations of the new nation—divided by ethnicity, region, and faith—the larger debate fell between secular nationalism and Islam. Despite the fact that the overwhelming majority of Indonesians profess Islam as their faith, Indonesia is a nation of Muslims divided in their understanding of what it means to be an

adherent of the faith.[34] Devout adherents of the faith wanted to declare Islam the basis of the new republic. Nominal Muslims, however, preferred the new nation remain secular. Four major parties formed around this division: two mass secular political parties—the Indonesian Nationalist Party (PNI) and the Indonesian Communist Party (PKI) – and two Islamic parties—the *Nahdlatul Ulama* (NU) and the *Masyumi*. Sukarno, the founding member of the PNI, sought a compromise, introducing the ideology of Pancasila as an alternative to an Islamic state.[35] In June 1, 1945, speech "Birth of *Pancasila*," Sukarno advocated a state that would appeal to all Indonesians, regardless of their religion ethnicity or regional origins. (Ramage 1995, 2) *Pancasila* entailed "a vague statement of five principles encompassing religiosity, nationalism, humanism, consensus, and social justice." (Slater 2010, 142)

The debate whether Indonesia should become an Islamic state or remain a secular state with freedom of religion produced a polarization of attitudes. Elections during the parliamentary era (1949-1957) saw the four major parties gain relative equal support, yielding a rapid succession of coalition governments preventing a resolution of the problem. By the late 1950s, Sukarno and the secular nationalists found it increasingly more difficult to dampen the highly divisive and mobilized social forces confronting the

[34] Indonesians are divided into several major *aliran* (literally "streams"). "The most important distinctions in *aliran* are *santri* and *abangan*. *Santri* refers to devout adherents of Islam, closely attuned to daily spiritual and social behavior based on diligent reading of the Quran. *Abangan* are nominal Muslims, primarily rural Javanese, for whom Islam is the latest, symbolic overlay on pre-existing Hindu, Buddhist, and Javanese religious beliefs. In terms of political affiliation, *santri* tended to follow either of the leading Muslim political parties, *Masyumi* or *Nahdlatul Ulama* (NU), while *abangan* generally identified with the Nationalist Party (PNI) or the Indonesian Communist Party (PKI)." (Ramage 1995, 16)

[35] In 1953, Sukarno candidly voiced his fears of the negative implication for national unity if Muslim Indonesians pressed their demand for an Islamic state, for constitutional or other legal provisions formally recognizing Islam by the state. (Ramage 1995, 17)

central government. Challenging the fragile parliamentary system, Pancasila no longer represented a compromise for adherents of the faith but served as an ideological tool to delegitimize their demands for state recognition of Islam. (Ramage 1995, 17) The fragility of democracy was further exacerbated by regional rebellions and revolts supported by Islamic groups. The inability of coalition governments to overcome party differences in order to deal with regional rebellions and other challenges had led to widespread disillusionment with democracy. Amongst this unstable political arrangement stood Indonesia's fifth main political player, the Indonesian armed forces. As various groups were no longer willing or able to compromise, the "people's army" intervened to keep the new nation intact.

Darul Islam and PRRI-Permesta Rebellion were the two most serious revolts and regional uprisings. First, *Darul Islam* was a series of Islamic-inspired armed uprisings between 1948 and 1962 in West Java, South Sulawesi, and Aceh, which embodied the danger of the "Islamic threat" to the central government. (Ramage 1995, 17) Next, in 1957 and 1958, a series of territorial rebellions led by regional military commanders from Outer Islands sponsored by politicians in the *Masyumi* Party, one of the standard-bearers of doctrinaire Islam, presented the gravest challenge to the new nation. The factional military commanders declared themselves the Revolutionary Government of the Republic of Indonesian (PRRI). The PRRI-Permesta Rebellions ultimately gave Sukarno a pretext for dispensing parliamentary politics and declaring martial law in 1957. (Crouch 1978; Mietzner 2009) With the active encouragement and partnership of the military's top brass, Sukarno's initiated the era of "Guided Democracy," a euphemism for a presidential form of limited dictatorship.

After declaring martial law, Sukarno moved to consolidated his authority and assumed his previous presidential powers. With the 1955 Constitution establishing a parliamentary system, Sukarno found himself relegated to a figurehead position. (Slater 2010) He came to resent his lack of political authority and inability to break the gridlock of democratic politics. Once the PRRI-Permesta was quelled and he successfully nationalized Dutch companies that had dominated the Indonesian economy, Sukarno found himself in a position to seize full executive power. In 1959, Sukarno returned Indonesia to its presidentialist 1945 Constitution believing it would make it easier to implement the principles of Guided Democracy. (Slater 2010) After the reversion, he replaced the elected parliament with a fully appointed one and indefinitely postponed general elections. Next, he turned his attention to solving the threat of troublesome parties by outlawing several parties, including *Masyumi* and the Socialist Party (PSI). (Hindley 1967, 241) Further enervating the party system, Sukarno replaced parties with a set of government-linked "functional groups" or *golkar* (*golongan karya*) to represent economic and social groups such as workers, farmers, teachers, civil servants, and soldiers. Indicative of the military's elevated position in Indonesian politics during Guided Democracy, military officers were recognized as a functional group and given 42 seats in the appointed Consultative Assembly the same year. (Federspiel 1973, 407) With these measures in place during Guided Democracy, only two political actors wielded significant institutional power—President Sukarno and the army leadership (the army was the dominant branch of the armed forces and it leaders filled the highest political posts). Later, the Communist Party would emerge as the army's only rival.

The revolts and rebellions gave General Nasution, Chief of Staff of the Army, a golden opportunity to purge rebellious factions within the army ranks and assert the military's political interests. The defeat of the PRRI-Permesta rebellion, not only increased the army's prestige, it also eliminated much of the regional insubordination allowing Nasution and other senior leaders to consolidate control over the entire armed forces. (Hindley 1967, 243) The military had previously been too fragmented to enter politics as a coherent actor. Successful military operations against threats to the state had a profound effect on the military's entitlement to political power, i.e. a share of owner rights. According to Crouch (1978), by proving its indispensability in the national crisis, the army leadership bolstered its claim to a more permanent role in the government:

> The army's political role came initially from its martial law powers, but soon officers were given substantial representation in the formal institutions of government, such as in cabinet and parliament, and were appointed as provisional governors and other regional officials. (34)

In November 1958, Nasution finalized the concept of the "Middle Way," which blurred the distinction between military and political functions, offering the armed forces a doctrine to normalize power sharing with Sukarno's civilian government. (Crouch 1978; Mietzner 2009) As a result of the co-ownership with Sukarno, the military gained political authority in various aspects of governance—participating in national policy development, overseeing local administration, and managing business enterprises.

While martial law was in force from 1957 to 1963, the military operated the State of Emergency Administration. (Federspiel 1973, 407) During this period, the Indonesian armed forces obtained extra-constitutional powers—many officers assumed civilian leadership positions at the local level, particularly in West Java and the Outer Islands.

Moreover, the officer corps filled administrative positions throughout the governmental hierarchy, thereby, giving the military another means of influencing the government and the political system. A remnant of the revolutionary period and subsequently expanded during the martial law period, Indonesia's military maintained a vast network of territorial units that reached from the center to the village level forming the basis of its power. (Mietzner 2011, 274) This territorial system allowed the armed forces, specifically the army, to control civilian administration at the regional and local level. More importantly, the ability to raise off-budget funds with the support of regional enterprises and local entrepreneurs reinforced the army's autonomy. (Mietzner 2011, 274) This financial autonomy from the central government made it difficult for Sukarno to establish bilateral dependency with the army. While Sukarno depended on military repression, the military did not equally depend on Sukarno for sustainment. Consequently, self-funded commanders had little reason to concede control to the civilian government. Even after the repeal of martial law, the territorial army commands frequently retained control of political life in many areas. The upshot, the army's assumption of political authority, owner rights, did not end with the lifting of martial law.

The ascendancy of the armed forces to direct political rule led to growing tension between Sukarno and the military elite, specifically the army leadership. Acquiring significant owner rights while reinforcing its manager rights, the central army command of the mid-1960s became far stronger than a decade earlier. With "Islamic" groups silenced, the ambitions of the army's top brass became the chief political threat to Sukarno's legacy. Unable to limit the military's autonomy or make significant changes to the armed forces organizational structure, Sukarno pursued a counterbalancing

strategy. Counterbalancing is a coup-proofing tactic employed by leaders to proliferate rivalrous units within the military and security sector to prevent coups. (Belkin and Schofer 2003; Powell 2012; Böhmelt and Pilster 2015; Brooks 2019) Expanding upon this definition, counterbalancing also includes the creation or strengthening of competing civilian institutions to provide checks and balances to existing institutions. Beginning a precarious period of political maneuvering, Sukarno invited the PKI back into the government in 1960, as a counterweight to the military. According to Brand (1989), the CIA characterized Sukarno's relationship with the communists as one of mutual exploitation: "Sukarno needed the PKI because he lacked a mass political organization of his own; the PKI relied on Sukarno for protection against the army." (792)

With an estimated three million members prior to the 1965, the leaders of the PKI controlled the largest communist organization in any non-communist state. (Hindley 1967, 237) The fountain of the PKI's political power was its ability to marshal a vast network of mass organizations claiming 15 million members comprising specific segments of society such as workers, peasants, youth, women, students, university teachers, and village officials. (Hindley 1967, 237) One of the most serious points of contention among the army brass was the PKI's desire to establish a "fifth force" of armed peasants and workers.[36] Sukarno approved the PKI's request to form the "fifth force," which, if implemented, would have gravely weakened the army's position relative to the Communists in a succession struggle. (Palmier 1971, 18) Many officers were bitterly hostile to the idea, especially after the Chinese offered to supply the "fifth force"

[36] It was called the "fifth force" because it would supplement the four branches of the regular armed forces.

with arms.[37] Consolidating its grassroots support, enjoying the political protection from Sukarno, and plans to build its own militia, the PKI emerged as a serious political challenger to the military.

In addition to Sukarno's efforts to elevate the PKI, the military found their policy interests were increasingly diverging from their civilian counterpart. During the Cold War, Sukarno positioned himself and Indonesia with the non-alignment movement which principally rejected the alignment with or against any major power. Deftly playing the Cold War blocs against each other, Sukarno accepted aided from the Soviet Union and the United States. While he professed non-alignment, Sukarno, however, nurtured his relationship with Asian communist states while escalating his confrontation with Western powers. In the Fall of 1963, Sukarno launched a campaign against the British over the formation of Malaysia. On the economic front, he nationalized British firms in the country. (White 2012) On the military front, the Indonesian army provided training to infiltrators and saboteurs dispatched to disrupt Malaysia and guarded the Borneo frontier. (Federspiel 1973, 407) While the military brass publicly supported the Malaysia campaign, behind the scenes they attempted to deescalate the campaign as it threatened to become a regular war. (Brand 1989; Mietzner 2011) Further isolating Indonesia internationally, Sukarno withdrew from the United Nations and the International Monetary Fund in 1965. The right-wing of the Indonesian armed forces, specifically the senior army leadership, disapproved of the Sukarno's radical economic policies and

[37] During trials following the October 1965 Coup, former Foreign Minister Subandrio confirmed he had negotiated the import from China of some 100,000 small arms without the knowledge of Nasution or the regular armed forces. Apparently, they entered Indonesia as building materials, free of customs inspection, and were intended for the Fifth Force. (Palmier 1971, 18)

dangerous foreign ventures which had exacerbated the country's chronic economic problems bringing it to the precipice of bankruptcy. (Brand 1989; Federspiel 1973) However, the army generals withheld publicly criticizing Sukarno recognizing he remained very popular in and outside the armed forces and preferred to wait him out since he was advancing in age.

By mid-1960s, the partnership between Sukarno and the military began to unravel. In his sixties and questionable health, Sukarno's succession weighed heavily upon the political landscape. (Hindley 1967; Crouch 1978; Brand 1989) In a milieu of suspicion, Jakarta bubbled over with tales of conspiracy and intrigue. Political uncertainty drove the actions of the three dominant political actors with each seeking to protect their claims to political property rights. For one, the increasingly left-leaning Sukarno outwardly appeared to be preparing for a communist succession. Sukarno doubled efforts to recruit a network of loyalist and PKI sympathizers within the military. (Slater 2010) By 1965, the armed forces were split into two factions—those supporting Sukarno and the PKI and those opposed. His divisive tactics invariably created a sharp left- and right-wing division within the ranks of the armed forces. In general, the army leadership formed the right-wing division while the other service leaders populated the left-wing. Secondly, the PKI revitalized efforts to mobilize supporters and increased its militancy—organizing demonstrations and other forms of popular pressure. (Hindley 1967, 244) Moreover, Sukarno's approval of the PKI's "fifth force" did not ease the right-wing's concern. Finally, Sukarno's coup-proofing measures and succession plans did not go unnoticed by the military's right-wing. It was rumored that a "Council of Generals" were planning to seize power in order to strike the first blow. (Palmier 1971)

The scene was set for the deadly 1965 confrontation—the abortive coup, the purge of the Communists, and the rise of Suharto's military dictatorship.

30 September Movement

On the night of September 30, 1965, and into the early morning hours of October 1st, a coup d'état was attempted in Jakarta which would dramatically alter the political landscape of Indonesia. The coup was conducted by the 30 September Movement, a pro-communist organization comprised of leftist officers in the presidential palace guard in association with leaders of the communist party. The dissident officers supported by 2,000 members of PKI women's and youth groups kidnapped and killed six of the highest-ranking officers in the armed forces—with a wounded General Nasution narrowly escaping during the coup attempt. (Van der Kroef 1976) Later that morning, the rogue officers declared they were in control of media and communication outlets and that they had taken President Sukarno under their protective custody. Widely suspected as having foreknowledge of the plot, President Sukarno neither endorsed nor condemned his "protectors." (Van der Kroef 1976) Palmier (1971) speculated the abortive coup was precipitated by the onset of the President's illness months earlier and the rising concern over political succession. (2) Two diametrically opposed organizations were vying for succession, the Indonesian military and the PKI. In this atmosphere of mutual suspicion, the military and the communists wanted to best position itself for the political confrontation. As a preventive strike, the 30 September movement claimed to be acting to save Sukarno from the "Council of Generals," a group of generals rumored to be

planning the seizure of power on Armed Forces Day on 5 October. (Palmier 1971) Within 72-hours of the group's declaration, loyal army units commanded by then-Major General Suharto, one of the few senior officers not detained and killed in the abortive coup, crushed the dissident officer movement and communist supporters.

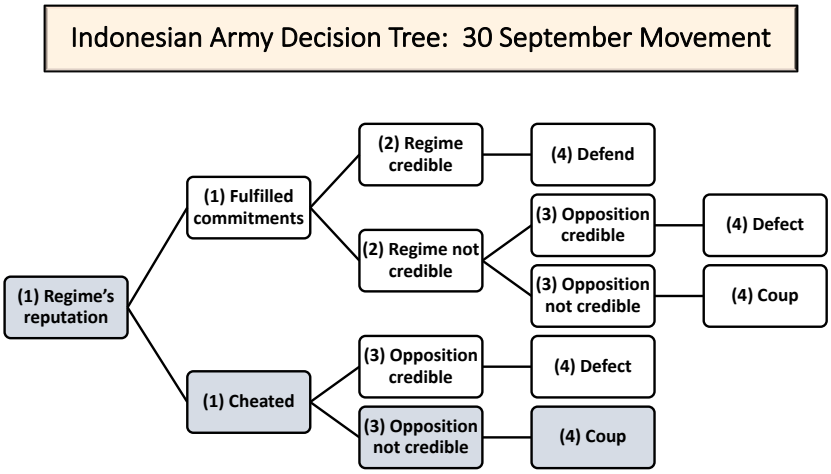
General Suharto, as the most senior surviving army officer on active military duty, took charge of the army and continued to consolidate his power following the coup. Suharto and the army moved quickly to eliminate the PKI challenge leading to the slaughter of an estimated 500,000 communists, communist sympathizers, and targets of opportunity. (Hindley 1967) Sukarno suspected of involvement in—or at least knowledge of—the alleged coup attempt, never regained control. As the principal protector and supporter of the PKI, left-leaning President Sukarno was relegated to a minor political role thereafter. In March 1966, he was forced to handover government authority to Suharto through the "Letter of 11 March." In what Crouch (1978) called a "disguised" coup, began Suharto's military dictatorship under the banner of the "New Order." In March 1968, appointed by the provisional Peoples' Consultative Assembly, or *Majelis Permusyawaratan Rakyat* (MPR), Suharto officially became the second president of Indonesia. (Crouch 1988; Honna 1999; Mietzner 2009; Lee 2014)

Defend, Defect, or Coup: Decision to Coup

The 30 September Movement's abortive coup attempt provided the surviving military elite the opportunity and cover to dramatically change the civil-military contract. In making the determination to usurp the civilian government through a "disguised" coup

d'état, the Indonesian army weighed Sukarno's reputation and the opposition's credibility in securing the military's political property rights, see Figure 13, decision point (1) and decision point (3). Finding the regime no longer a credible partner in a political pact and the opposition not credible, the Indonesian army decided to eliminate competitors, gradually remove Sukarno from office, and take over the government. In this case, military officers initiated a coup to prevent the replacement of the government by another group of civilians. As Hindley (1967) suggested, both the right-wing military officers and the PKI were aware that upon Sukarno's demise, they would have to fight for survival—with the loser probably being annihilated.

Figure 13. Indonesian Army Decision Tree



* Credible political actors own the political property rights in the exchange and are able to commit to obligations of the contractual agreement.

Decision point (1): Sukarno's Reputation in Securing the Military's Property Rights

The first consideration is the dictator's reputation in fulfilling previous contractual obligations. Did the dictator follow-though on contractual commitments? Or did the dictator cheat the military of previously negotiated political property rights? As the previous discussion revealed, Sukarno defaulted on the civil-military bargain established at the beginning of Guided Democracy. Sukarno and the army's senior leaders had created a mutually beneficial pact to govern together, thereby, sharing owner rights. As Sukarno began to fear the military's encroachment on his owner rights, he employed coup-proofing measures available to him. To curb the opportunism of the Indonesian military, Sukarno used counterbalancing tactics by introducing a third "co-owner" into the contract. By inviting the PKI to join his government, Sukarno changed the political bargain by redistributing political property rights among the three political actors; thus, diminishing the military's share of owner rights. Further alienating the military brass, Sukarno succession plans appeared to favor the communists. Consequently, the political property rights the military received during the early onset of Guided Democracy were not only redistributed, but risked being appropriated entirely by the PKI. The combination of opportunistic coup-proofing and the measures to curtail the military's owner rights permanently damaged Sukarno's reputation and future credibility with the military.

Sukarno's duplicity and weak commitment to the military partnership were evident during and after the 1965 coup. In an act of cowardice and betrayal, six general officers were kidnapped and murdered in the early morning hours of October 1, 1965. While Sukarno's complicity in the abortive coup attempt is debatable, his relationship with the surviving senior officers was irreparably harmed. (Hindley 1967; Federspiel

1973) Although Sukarno attempted to replace the murder generals with loyalist, the right-wing survivors were in full control of the military and the government after the coup. The morning of the coup, Sukarno appointed a loyalist, General Pranoto Reksosamudro as caretaker army chief, to replace the murdered army chief, General Ahmad Yani, but was forced two weeks later to give the position to Suharto.[38] Continuing to shield his communist partners, Sukarno refused to lay blame on the PKI for the failed coup. In defiance, Sukarno's would not back down on the question of the PKI's legality, but chose to double-down on his defense of the PKI, alienating his own supporters in the armed forces. Deliberately slighting the armed forces, he began to introduce a new theme in his speeches touting the PKI's heroic actions during the revolution specifically proclaiming PKI "sacrifices in Indonesia's struggle for freedom were greater than the sacrifices of other parties and groups." (Crouch 1978, 164) In February 1966, Sukarno's intransigence persisted with his decision to release one to two hundred thousand supporters of the PKI from detention which would undoubtedly assist in a face-off with military leadership. Finally, his confrontation with the Indonesian military culminated with his decision to reshuffle his cabinet and sideline those who resisted his leadership. (Crouch 1978, 174) Demonstrating Sukarno's impotency, however, the military rejected his maneuvers and increased its pressure to have the President step aside. Despite his machinations and plotting, the army leadership had already decided Sukarno was no longer a credible political partner.

[38] Pranoto was arrested in 1967 on suspicion of alleged involvement in the 1965 coup attempt. (Crouch 1978, 129)

Decision point (3): Opposition's Credibility in Securing the Military's Property Rights

Finding Sukarno had not upheld the political bargain, the military leadership next considered the credibility of the opposition, decision point (3). First and foremost, does the opposition own the political property rights in the exchange? During Guided Democracy, only three institutional actors retained significant political property rights—Sukarno, the military, and the PKI. All other groups, specifically the Islamic organizations, were largely suppressed and their political organizations legally barred and disbanded. During Sukarno's Guided Democracy, political parties, with the exception of the Communist Party, lost much of their influence. In particular, the *Masyumi* and PSI had been banned in 1960 after a number of party leaders were involved in the PRRI revolt of 1958. (Hindley 1967; Crouch 1978) Additionally, the Golkar functional-group system, weakened the remaining parties. Enjoying political protection from Sukarno, the PKI was the only party able to consolidate its grassroots support throughout the 1960s and emerged as a serious political challenger to the military. Realistically, the only civilian opposition organized to succeed Sukarno was the PKI. However, the animosity and ideological differences between the PKI and right-wing army leaders were a bridge to far in creating a mutually binding agreement. The PKI could never credibly secure the political property rights the military believed it was entitled to.

At this juncture, military leaders concluded they were the only credible alternative to succeed Sukarno. From its inception, the Indonesian armed forces believed it was entitled to a role in politics and more so now that the country was on the precipice of a communist coup and economic collapse. Additionally, the generals received encouragement from the United States that their ambitions would be viewed favorably on

the world stage. During this period, Washington viewed foreign policy through the lens of the Cold War and the need to contain the spread of communism. As such, in the mid-1960s, Indonesia was strategically significant to the United States. (Brand 1989) Geographically, the sprawling archipelago spanned the critical sea lanes connecting the Indian Ocean to the Pacific—flanking Vietnam and the American bases in the Philippines. Economically, the Indonesia possessed an abundance of natural resources, in particular petroleum which American oil companies were heavily invested. Politically, Sukarno's radicalization and courtship with communist elements were disconcerting to policy makers in Washington. (Brand 1989) Further raising alarms in Washington was Sukarno's Malaysia campaign and nationalization of British firms. Sukarno was increasingly becoming an unpredictable and unreliable political actor. Of grave concern to Washington policy makers was the prospect of Sukarno's succession to the communists. If Indonesia fell to the communists, that would be one more domino to fall in the Communist Bloc's favor. With this in mind, the American administration pursued a policy promoting the ascension of the Indonesian army. As Brand (1989) noted, "American officials believed that sooner or later the feud between the army and the Communists would break into the open. Therefore, the Johnson administration sought to ensure that when the break occurred the army knew it had friends in Washington." (793)

Action point (4): The "Disguised" Coup d'état

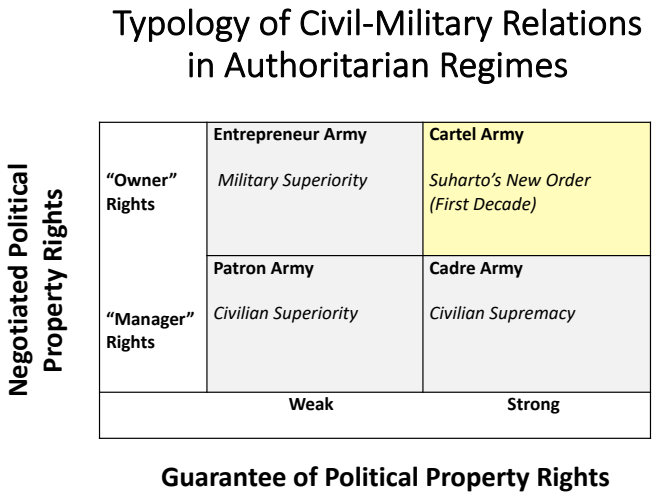
With a lack of oppositional choices to take on the mantle of political authority, the military saw itself as the only choice. General Suharto, who played a critical role in crushing the 1965 coup, moved deliberately to pressure Sukarno to relinquish his office.

Following the abortive coup in October 1965, as described earlier President Sukarno did not willing accept the military's claim to a dominant role in the government. From the onset, Sukarno made attempts to shore up his political position with little success. First, he used his office to resurrect the reputation of the PKI and his supporters with little effect. Misreading the limitations of his political authority, he then attempted to reshuffle his cabinet to install loyalist. These measures, however, only served to further alienate himself from supporters within the military ranks. Worsening Sukarno's political hand sharp price increases and rampant inflation catalyzed student demonstrators to take to the streets to criticize the mismanagement of the economy. Starting in January 1966, Sukarno's "administration" confronted months of student demonstrations demanding the disbandment of the PKI and the control of inflation. (Crouch 1978; Lee 2014) Following Sukarno's announcement of cabinet changes in February, army leaders began to indicate their dissatisfaction by expressing sympathy for the students and implicitly backing the demonstrations. Fanning the crisis, the military leadership did little to quell the student protestors. Succumbing to the mounting pressure to mollify the students, Sukarno formally handed the government over to Suharto to bring order to Jakarta. Through the "Letter of 11 March" (*Supersemar*), President Sukarno formally tasked General Suharto, "to take all measures considered necessary to guarantee security, calm and stability of the government and the revolution and to guarantee the personal safety and authority of Sukarno." (Lee 2014, 110) A year after the *Supersema*r, the Peoples' Consultative Assembly installed Suharto as acting president, and later appointed him as president in 1968. Sukarno was kept thereafter under virtual house arrest until his death in 1970. The

"disguised" coup of 11 March brought Suharto and the generals to power establishing the "New Order" and replacing Sukarno's "Old Order."

Continuing the Cycle of Repression Under the "New Order"

Figure 14. Suharto's New Order Civil-Military Institutional Arrangements



The failed 1965 coup plot provided army leaders a pretext to eliminate the greatest threat to securing the military's political property rights, the PKI. Although it refuted its complicity in the plot, the PKI and communist sympathizers bore the blame for the coup attempt. Perhaps one of the most devastating human tragedies of the Cold War era was the precipitous large-scale killings that occurred following the failed coup attempt. Hundreds of thousands of suspected PKI followers were murdered or arrested in the following months, with the army using paramilitary groups affiliated with Muslim organizations to carry out most of the killings. Fanned and condoned by the Indonesian

Army, the coup attempt by suspected communists released pent-up communal hatred. The extrajudicial killings spread beyond suspected communists to target ethnic Chinese, students, union members and anyone who might have personal feud with the attacker. The massacre continued into the early months of 1966—ending with the bloody decimation of the PKI organization and an estimated 500,000 dead, although the number is still contested. (Hindley 1967; Roosa 2006; Robinson 2018) In March 1966, the PKI and its mass organization were formally banned, and in July the People's Consultative Congress proposed the prohibition of the teaching of Marxism-Leninism. Those with suspected communist sympathies were also purged from government ministries, representative councils, and other state enterprises. (Hindley 1967, 237)

With the elimination of the PKI, there was very little resistance from other societal groups to praetorian control. To begin with, many non-communist political groups supported the military's campaign against the PKI and in fact, assisted in creating the legal framework for institutionalized military rule. The generals had promised to repair the political-economic catastrophes of Sukarno's Guided Democracies. After decades of political instability and declining living standards, many Indonesians, as well as Western supporters, were willing to accept a limited period of military dictatorship. (Mietzner 2009, 51) Viewed as modernizing force, according to Honna (1999), the military, however had a longer outlook:

> Developmentalism, or modernization ideology, provided the military with a rationale that identified political stability as the precondition for development, and this logic encouraged the officers to think that the "long-term" military control of politics was justifiable since modernization was a decades-long national project. (79)

The officer corps sought ideological confirmation of its new dominance by adjusting military doctrine—the core elements included the military's role in economic development, guardians of the state Pancasila ideology, and the preservation of the presidentialist 1945 constitution. In 1966, the officer corps formalized the doctrine of *dwifungsi* (dual function), according to which the armed forces were responsible for not only defending the country, but serving as a sociopolitical force with the right to participate in government. (Crouch 1978; Said 2006; Meitzner 2011; Lee 2014) Moreover, through the policy of *kekaryaan*—the practice of military officers serving in civilian bureaucratic posts—the Indonesian military penetrated all levels and spheres of political life at the national, regional, and local levels. (Mietzner 2009; Lee 2014) By the early 1970s, the armed forces had established dominance over internal security, domestic politics, economics, and foreign relations.

In the political field, the armed forces were especially well entrenched in the executive, legislative, and local governments. According to Mietzner (2009), Suharto controlled the administration as both head of state and government, and military officers occupied key cabinet appointments, including the ministries of defense and security, home affairs, and the state secretariat. (52) Of the twenty-seven members appointed to the cabinet in July 1966, twelve of the most important cabinet posts went to the armed forces. (Lee 2014, 112) In the provinces, officers held eighty percent of governorships, and an equally high percentage filled positions as district heads. On the legislative side, seventy-five officers served as delegates of parliament and more were appointed to the People's Consultative Congress. Finally, through the central role the officer corps played in the government's electoral machine Golkar, the military also dominated the national

and regional legislatures. Incidentally, with the help of massive military intervention and intimidation, the Golkar won the 1971 elections. (Mietzner 2009, 52-53)

Next, the military's increased its participation in the economy as the doctrine of dual function called upon the armed forces to provide the necessary condition for economic growth. Military officers had held senior management positions in several state enterprises since the late 1950s, however, under the New Order their numbers grew rapidly. Since the allocation for defense in the national budget was insufficient to sustain the armed forces, state enterprises supplied the military with extra funds while also lining the pockets of its military CEOs. A quintessential example of dual function the national oil company Pertamina, headed by General Ibnu Sutowo, provided substantial contributions to the budget of the armed forces. (Crouch 1978; Mietzner 2009; Lee 2014) Continuing the practices of the territorial command system, regional commanders forged business partnerships with local magnates. The unprecedented flow of off-budget funds into the military allowed it to exercise a high degree of managerial autonomy with unit commanders now functioning as heads of rent-seeking foundations and cooperatives. According to Mietzner (2009), Suharto encouraged this practice, despite obvious fears that senior officers would grow too independent, believing that the granting of access to additional sources of funding would strengthen their loyalty toward him as the patron that made "self-service" possible. (55)

Finally, in the sphere of foreign diplomacy, the military elite were able to establish and prioritize their policy preferences. Previously frustrating the military establishment, Sukarno's radicalized and left-leaning policies had isolated the Indonesian archipelago economically and politically. Upon assuming power, Suharto adopted a

policy of neutrality in the Cold War. While theoretically a continuation of the non-alignment policy of his predecessor, he discreetly aligned himself with the West. Characterized by pragmatism, the New Order's geopolitical strategy focused on securing foreign aid. (Sukma 1995) In turn, this objective naturally brought Indonesia closer to the more prosperous Western countries, who were ready to offer their support. Furthermore, after *Supersemar,* Suharto and the general's distanced Indonesia from the communist movement—straining relations with the Chinese and the Soviet Union. (Crouch 1978) In one of the military junta's first foreign policy acts, it ended the Malaysia campaign in August 1966. Incidentally, the British-owned companies expropriated by Sukarno during the Malaysia confrontation were returned to British ownership after 1967. (White 2012) In August 1967, Indonesia became a founding member of the Association of Southeast Asian Nations (ASEAN), an organization originally created to deter the spread of communism in the region. Finally, Indonesia suspended relations with China in 1967 due to suspicion of Chinese aid to the PKI and involvement in the 30 September Movement.

Conclusion

The overreliance on the Indonesian army for repression led to the rise of the entrepreneur army and the eventual downfall of President Sukarno in 1965. After the introduction of martial law in 1957, the military proved its indispensability and reinforced its claim to a more permanent role in the government. (Crouch 1978, 33) The emergency condition led to a sudden expansion of the military's political property rights and increased its political authority in general administration and economic management.

Consequently, the military brass became invested in preserving the existing social order and political arrangement of Sukarno's Guided Democracy during the initial years. The officer corps largely acknowledged and understood Sukarno's role in providing legitimacy and popular support for the system. As long as the president and his civilian allies did not restrict the military elite's owner rights and privileges, the military preferred to cooperate with Sukarno in preserving the mutually advantageous arrangements. However, disrupting the equilibrium, Sukarno opportunistically aligned himself with the PKI to counterbalance the power of the Indonesian army. The army leadership found Sukarno's rapprochement with the PKI unsettling and was adamantly opposed to sharing any owner rights with the communist party. The power struggle eventually led to the army removing Sukarno from office and establishing military supremacy under a cartel army. As the demise of the Sukarno's regime highlights, when an army gains a majority share in ownership, they become too powerful to easily undermine. As Svolik (2012) suggested, when bargaining between a government and a politically pivotal military breaks down over core policy differences, the threat of a military coup d'état increases. Brinkmanship bargaining ensues, "the military has an incentive to exaggerate it demands, while the government has an incentive to test the military's resolve to intervene by defying those demands." (Svolik 2012, 136) In this example, Sukarno tested the Indonesian armed forces resolve and his Guided Democracy regime was eventually deposed when the army leadership called his bluff in a "disguised" coup.

General Suharto along with his fellow officers then instituted a military dictatorship under the "New Order." Initially Suharto was considered the "first among equals" governing the junta. (Lee 2014) Key policy decisions were the product of a

military-technocrat oligarchy composed of a small coterie of senior army officers and economic technocrats. (Crouch 1978; Lee 2014) A decade into the New Order regime, however, Suharto felt secure in his consolidation of power and began asserting control over the previously autonomous military. Over three decades, he succeeded in transforming the military dictatorship to a sultanistic regime. (Honna 1999; Slater 2010; Lee 2014) Slater (2010) noted, "what started as a system of oligarchic military rule evolved into a highly personalized regime." (133) Changing his relationship with the armed forces, Suharto employed several coup-proofing strategies to decrease the military's political property rights. He created parallel civilian and security institutions to redistribute the military's owner rights. Additionally, he limited the military's manager rights through organizational reform. For instance, in order to forestall any challenges to his personal rule from inside the ranks, Suharto introduced a wide-range of reforms and changes to the command system. (Mietzner 2009) At the core of his reforms was the integration of the service branches under the Indonesian armed forces headquarters and the department of defense and security. Additionally, Suharto downgraded all the service commanders to chief of staff, thereby, removing their cabinet status and more importantly their direct command over troops. He also reduced the power and autonomy of the regional commanders by creating a system of coordinating commands overseeing several military territories. Later in his regime, Suharto manipulated the personnel system, appointing officers with familial ties or close loyalties to his inner circle. These maneuvers gradually altered the civil-military institutional arrangements from cartel to patron army. Interestingly, when Suharto's personalistic regime faced a mass uprising in

1998, much like Marco's regime in the Philippines, the military also defected leading to the demise of the New Order.

CHAPTER 6

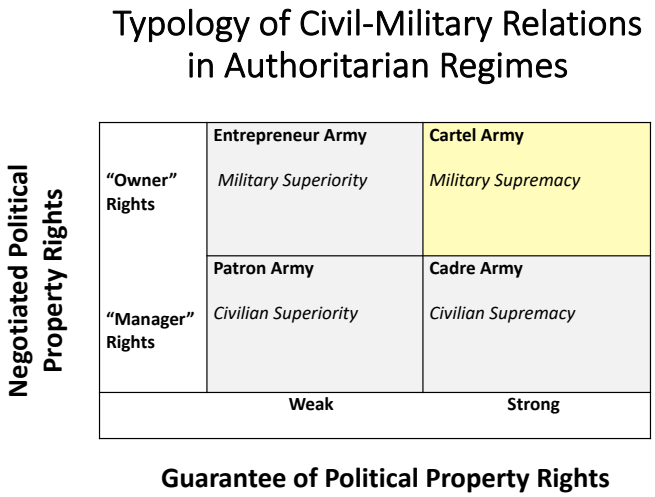
CARTEL ARMY: THE JUNTA AND THE TATMADAW

Cartel Army (Military Supremacy)

Authoritarian systems dominated by the military, at times, convert into direct praetorian rule as military regimes or juntas. (Perlmutter 1969; Nordlinger 1977; Linz and Stepan 1978; O'Donnell and Schmitter 1986; Stepan 1988, Geddes 1999; Geddes et al. 2014) Geddes et al. (2014) defined a military regime "as the rule by a group of high-ranking officers who can limit the dictator's discretion." (148) Because the military has the preponderance of owner rights and guarantees these rights through violence, military regimes' civil-military arrangements often fall within the cartel army type. In cartel army civil-military arrangements, the military establishment has a monopoly of political property rights and guarantees those rights through coercion. As a consequence, any opposition to praetorian rule is effectively repressed and silenced. Because of the overwhelming coercive power of the regime, there is no bargaining space to negotiate or contest political property rights. Similar to an economic cartel, the military establishment seeks to maximize and protect their collective interests by restricting political competition. Extending this definition, a cartel army exercises unprecedented control and ownership of the institutions of the state. Military men hold the highest state offices, thereby, controlling critical appointments to executive, legislative, and bureaucratic positions at all levels of government. Accordingly, civilian politicians and other political groups have minimal input in governing the state. This creates a situation in which

civilian preferences are generally subordinate to the preferences of the military; thereby, the armed forces have achieved military supremacy.

Figure 15. Cartel Army Type



While military elites have achieved supremacy over their civilian counterpart, there remains the problem of controlling the "military-as-institution." Any regime depending on repression, even military ones, are susceptible to threats from its own coercive agents. As Stepan (1988) suggested, no complex organization should be seen as a monolith—a highly repressive regime, where the military is in control of the state apparatus, consists of various components and various configurations. (30) Stepan (1988) outlined three primary components:

- the military-as-government—refers to those military figures constituting the core leadership directing the government of the polity;
- the security-community—elements of the regime most directly involved in the planning and execution of repression, intelligence gathering, interrogation, torture, and internal clandestine armed operations; and

- the military-as-institution—the bulk of the organization that carries out the day-to-day work of the military bureaucracy. (30)

Depending on their relative power and their actions, these three components can form various configurations—from highly fused to loosely aligned. In cartel army civil-military arrangements, the military regime has achieved a high degree of vertical integration hierarchical among the various components—elements of the military-as-government, security-community, and military-as-institution have all credibly committed to the contractual relationship. Using Stepan's (1988) configuration, in cartel army arrangements, the three components interact in a highly fused manner in what is described as "apparent fusion." In other words, "all components of the regime share a common threat perception and are acting in harmony." (Stepan 1988, 31) However, the maintenance of harmony among the three requires a balancing act and the continuous investment in the relationship. In addition to "apparent fusion," Stepan (1988) also conceptualized situations where the three components are not in harmony and other components decide to remove the military-as-government in order to either replace the regime with its own military-as-government or completely transition the military out of office. (31)

The Junta and the Tatmadaw

The military has dominated Burmese politics since independence in 1948. From its inception, the Burmese army, also known as the Tatmadaw, has been a politically

oriented army refusing to accept subordination to any civilian authority or government. The Tatmadaw's predecessor owes its lineage to the Burman Independence Army (BIA), originally formed as a pro-Japanese invasion force trained to fight the British in the struggle for independence. Japanese agents selected thirty ethnic Burmans, later dubbed the Thirty Comrades, to secretly train as the BIA's initial cadre. Incidentally, the Thirty Comrades included famed national hero Aung San and future military strongman, Ne Win. (Myoe 2014) After gaining independence from the British, civil war jeopardized the survival of the new nation. Although the country's first constitution established a democratic system of government, the eruption of countrywide insurgency upon the departure of the British threatened to tear the country apart. Democratic politics could not solve the problem of ethnic groups and nations seeking self-determination. Unable or unwilling to compromise, the Burman majority and multiple minority groups answered the question of self-determination through violence. By 1949, 75 percent of the towns in Burma had fallen to one insurgent group or another—just as the state became independent it collapsed. (Callahan 2003, 114-115)

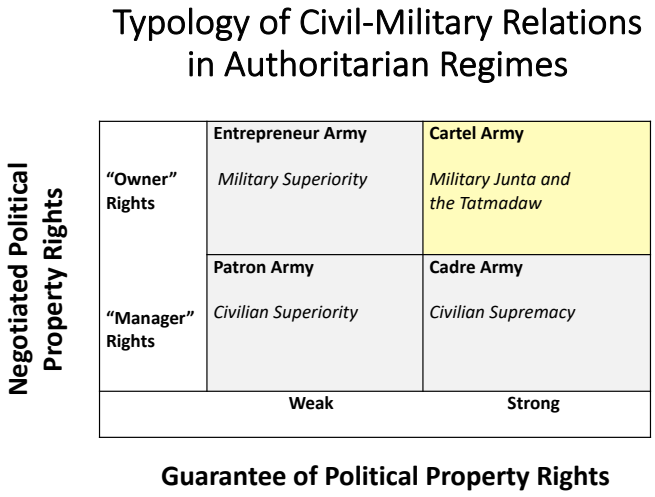
Picking up the pieces of the failed state, the Tatmadaw stepped in and suppressed the separatist insurgencies and secessionist movements which threaten their vision of a unified Burmese state. Magnifying the crisis was the newly defeated Chinese Nationalist forces (KMT) occupying the territory along the border of Burma and China. Preparing for its incursion of China proper, the KMT's unwanted presence contributed to the prospect of Communist China invading Burma. (Callahan 2003) The early onset of insurgencies and the threat of foreign invasion served as a crucible to unify the Tatmadaw and justify its subsequent and continuous praetorian rule. The intractability of separatist

insurgencies and the external threat between 1948 and 1962 had long-term consequences for the political development of the new nation. The military's war footing absorbed the resources of the state at the cost to other government functions. As a result, the military dominated politics, economics, and society, leaving little room for other institutions or civil society to grow. Over the next five decades, the weak state would be overcome by the Tatmadaw and successive military regimes. The dominance of the military manifested itself in three military coups d'état—1958, 1962 and 1988—and long periods of direct military rule. After protests erupted in 1988, the Tatmadaw once again took control and established direct military rule lasting until early 2011. Following the events of the 2007 Saffron Revolution, the ruling junta began a process of liberalization that would allow the Tatmadaw to "return to the barracks" and transition the government back to civilian rule.

Cartel Army Institutional Arrangements

From 1988 to 2011, the military directly governed Burma as a junta forming the State Law and Order Restoration Council (SLORC), later renamed the State Peace and Development Council (SPDC) in 1997. During this time frame, the civil-military institutional arrangements fell within the cartel army type. Following the 1998 uprising, the Tatmadaw decided to directly administer the state, dispensing with constitutional provisions and administration through civilian institutions. In short, the military shed the veneer of a civilian governance, effectively guaranteeing the military the totality of political authority. Direct military rule permitted little political space for other groups to contest political property rights.

Figure 16. The Junta's Civil-Military Institutional Arrangements from 1988 to 2011



Horizontal Dimension. This dimension measures the degree political property rights will be secured ex post and consists of two components: 1) the level of contestation of political property rights, and 2) the level of credible commitment to the agreement by the actors in the exchange.

Firstly, during direct military rule from 1988 and 2011, political authority and political property rights were not credibly contested by other political groups. Emerging from British rule, many ethnic and political groups vied for political control of Burma fearing the Burman ethnic majority would not recognize minority rights. In other words, political contestation was not about the division of political authority under a unified state but the right to self-governance by various groups. Because of the high political stakes, the political actors were unwilling to compromise. Above this politically unstable reality, sat the Tatmadaw ready to enforce the sovereignty of a unitary state. To minimize political uncertainty, over the years, the military repeatedly intervened in politics by

directly ruling the Burmese state through coercive violence, functioning as the sovereign, making and enforcing the rules. The Tatmadaw had no confidence in civilian institutions or civilian groups ability to unify the country and secure the military's political property rights. Over five decades of military repression, other political actors and civilian institutions atrophied, severely weakening their ability to contest the political authority of the Tatmadaw.

Next, by forming a military council, the Tatmadaw was able to credibly commit to guaranteeing the political property rights of the military. Through control of state institutions, the military brass codified, routinized, and normalized the role the military in all aspects of governance. The council also ensured the political, social, and economic standing of the officer corps through investment in military modernization and promotion of asset specificity. In an effort to increase asset specificity, the military leadership focused their efforts on transforming the military to a modern fighting force. Furthermore, by endorsing technical proficiency and expertise-based promotions, the military regime gave officers reason to invest in asset specificity and the perpetuation of the regime. In addition to modernization, the regime also improved the benefits of military service—continuing to treat the officer corps as a separate privileged class in society.

Vertical dimension. This dimension delineates the institutional arrangements, or agreed upon political property rights, negotiated by the regime and the armed forces over time. Negotiated political property rights consist of two types of political property rights: 1) owner rights and 2) manager rights.

Firstly, the military positioned itself early to hold the preponderance of owner rights. Through successful military campaigns and multiple cycles of repression, the Tatmadaw succeeded in obtaining full owner rights. It did not have to share political authority with any other political actor or group after forming the SLORC in 1988. Consisting of 19 to 21 officers, drawn from the Defense Headquarters in Rangoon and nine regional commanders and chaired by General Saw Maung, the SLORC administered the state. (Myoe 2009, 215) Through the council and regional commands, the military succeeded in controlling all aspects of Burmese political life.

Secondly, the Tatmadaw was surprising able to limit the breakdown of the military hierarchy and preserved robust manager rights. The military regime deliberately focused on maintaining a strong hierarchy with clear lines of owner rights and manager rights to minimize the risk of insubordination. Following the 1988 uprising, the ruling junta sought to recommit to a hierarchical governance through mutual interdependence between the "military-as-government" and the "military-as-institution." To this end, the junta as "military-as-government" implemented reforms to promote bilateral dependency between the regime and the officer corps. As a result, the Tatmadaw as "military-as-institution" retained decision authority over budgets, arms procurement, personnel actions, doctrine, and training.

Entering the Cycle of Repression

As Dr. Maung Muang (1999), the president of the Union of Burma during the

height of civil unrest from August 18, 1988 to September 19, 1988,[39] noted in his book documenting the events surrounding the 1988 uprising,

> Change happens in cycles, patterns and rhythms, sometime seemingly regular and obeying some law of nature, sometime seeming erratic, unshackled by any law, entirely wild and free…Cycles of political change in Myanmar since independence that was recovered from Britain in 1948 seem to have run in cycles lasting from ten to fifteen years. (9)

While cycles of change explain government transitions, cycles of repression explain the continuity of Tatmadaw political dominance. The first cycle began in 1947 with the tenuous democratic period ending with the 1962 military coup. The 1962 coup began the second cycle installing a military junta led by General Ne Win—eventually transitioning to a "civilian" government when Ne Win retired his uniform. The third cycle commenced with the 1988 student uprising ending with Ne Win's resignation and the military taking over government once again under the SLORC. Finally, like clockwork, popular discontent percolated again manifesting in Buddhist monk's protesting the increase in gas prices in the 2007 Saffron Revolution. Each cycle of repression served to unify the officers of the Tatmadaw and reinforced their entitlement to rule.

The birth of the nation began with ethnic insurgencies threatening to tear apart the new nation. Burma had inherited a major problem from the British, the question of how to deal with a large number of ethnic minorities. At the time, the Burman ethnic group constituted around 60 percent of the total population with the remaining 40 percent of the population split among more than a hundred minority groups and mountain tribes. (Fredholm 1993, 10) The largest nations, or minority groups, included the Shan, Karen,

[39] As the only civilian politician in the inner circle of the BSPP, Dr. Muang was elected president during the 1998 civil uprising and deposed a month later by military coup. (Shock 2005, 95)

Mon, Rakhine, and Chin. The struggle to form a new nation was due in part to "Burman Chauvinism"—Burmans were implacable about the right to rule over all of Burma and rebuffed minority groups demands to form their own independent states as a federation within Burma. (Fredholm 1993) The British solution to the minority question was the formation of a union, thereby, granting the minority nations a certain formal autonomy. However, overwhelmed by efforts to disengage from other colonial possession such as India and Pakistan, the British took the path of least resistance, giving into demands of the Burman majority. (Fredholm 1993, 38) As a constitutional compromise was unlikely, a deeply flawed constitution was adopted on September 24, 1947, forming the Union of Burma.[40] The British departed the scene without adequately addressing the nationality problem and civil war ensued.

The first cycle of repression began at the onset of independence from the British. Combating multiple insurgencies throughout the country and a Chinese civil war within its borders, the new Burma government faced numerous insurmountable challenges. Like the country, the Tatmadaw was not a unified heterogeneous force. It was a collection of various ethnic groups hastily brought together by colonial administrators, forming right- and left-wing lines of command. Within three months of independence, the Communist Party of Burma (CPB) launched an armed rebellion against the government with many left-wing soldiers and officers deserting the Tatmadaw in 1948. (Callahan 2003) Compounding the problem, Karen separatists began an armed campaign for an independent "Karenstan." By early 1949, Karen soldiers, comprising half the

[40] A major point of contentions in the new constitution, the Shan and Karenni State reserved the right of secession after a ten-year trial period. Other minority groups received no concessions at all; not even the large nations of the Karen, Mon, Chin, and Arakaneses. (Fredholm 1993, 40)

government troops, mutinied joined the right-wing Karen National Defense Organization (KNDO). (Callahan 2003, 114) The first appointed armed forces commander of the Tatmadaw, a Karen, later resigned. By the time his predecessor, General New Win, a Burman, assumed the position in February 1949, there were fewer than two thousand troops remaining on the roster. (Callahan 2003, 114) In the late 1940s and 1950s, the right- and left-wing insurgency groups were so strong that the government admitted that "large sections of the countryside were under complete domination of the insurgents." (Myoe 2009, 16) Worsening the security crisis, the Chinese KMT occupation of Burma's border frontier invited the Communist Chinese to invade. The possibility of Communist China attacking Burma elevated national security concerns within the Tatmadaw and spurred a massive army reorganization to defend Burma's sovereignty. With the goal of ejecting the KMT from Burma, the government prioritized the resources of the state to transform the loosely organized militia-like force into a professional standing army. By 1962, the Tatmadaw had grown to more than 100,000 soldiers, a significant difference from the 5,000 soldiers at independence and the anemic 2,000 soldiers during the low-point of the civil war. (Callahan 2003, 173) The internal threat served to eradicate the Tatmadaw of "subversives," while the external threat forged it into a bigger, stronger, and more unified fighting force.

The rapid growth and unchecked autonomy of the military contributed to rising civil-military tensions as civilian administrators pressed for military oversight and the prioritization of other projects over building the Tatmadaw. By October 1958, the relationship between Rangoon's politicians and field commanders had deteriorated beyond repair. Fearing mutiny, senior Tatmadaw leaders persuaded Prime Minister U Nu

to hand over governmental control to the military. (Callahan 2003; Myoe 2009; Croissant and Kamerling 2013) The military caretaker government headed by General Ne Win ruled for 18 months successfully averting civil war and for the first time brought a semblance of law and order. However, military intervention came at a cost—strengthening the Tatmadaw's position in social, economic, and political influence. The same year, the Tatmadaw redefined it role in the doctrine known as the National Ideology and the Role of Defence Services (NIRDS), which gave the military the ideological basis for political involvement by assigning the military the dual functions of handling internal security and economic development. (Myoe 2014, 10) Moreover, the Tatmadaw's brief success at praetorian administration for the interregnum only invited and further justified future military intervention in politics. After the general elections in 1960, the military returned to the barracks and Prime Minister U Nu resumed as head of government following his re-election.

With another political crisis looming, the next cycle of repression began when the Tatmadaw again intervened, staging a military coup d'état on March 2, 1962. When non-Burman ethnic groups demanded constitutional concessions for increased autonomy, Prime Minister U Nu agreed to meet with these groups.[41] (Callahan 2003, 203) Portraying these meetings as an act of betrayal to the nationalist vision for a unified Burma, the Tatmadaw used U Nu's conciliatory stance as a pretext to launch a takeover. The military plotters established the Revolutionary Council (RC), suspended the

[41] During the Federal Seminar in mid-February 1962, U Nu met with Shan and Karenni state representatives. Incidentally, these two states had the constitutional right to secede from the Union. Ethnic minority representatives discussed proposals ranging from moderate constitutional amendments to more radical secessionist demands. (Callahan 2003, 203)

constitution and placed all legislative, judicial, and executive powers in the hands of its chairman, General Ne Win. Heading off communist forces sweeping neighboring countries, the RC then appropriated leftist policies and formed their military junta under the banner of the Burmese Way to Socialism (BWS) and subsequently founded the Burma Socialist Programme Party (BSPP) to institutionalize their military rule. (Myoe 2009) All military officers were then required to join the ruling party; thereby, instituting a Soviet-style *nomenklatura* system to ensure obedience and investment in the regime.[42] (Myoe 2009, 62) Discarding their military uniforms, direct praetorian rule came to an end with the promulgation of a new constitution and general elections legally installing the BSPP and Ne Win into power in 1974. While taking on a civilian veneer, Ne Win's regime, was unquestionably backed by the Tatmadaw. (Callahan 2003; Myoe 2009; Pedersen 2011; Croissant and Kamerling 2013) During the twenty-six years of socialist rule, the Tatmadaw engaged in brutal counterinsurgency campaigns in the frontier areas, while the BSPP developed nationalist projects to transform the "apathetic" public into a new "socialist citizenry." (Callahan 2003, 210-211)

By the late 1980s, Ne Win and the BSPP's faced the consequences of an economic crisis which launched another cycle of repression. Starting in March 1988, popular protests erupted across the country precipitating a bloody crackdown on demonstrators. By June 1988, large demonstrations of students and sympathizers were

[42] "Many junior officers in the 1980s felt uneasy about the 'revolution.' But they refrained from open criticism, as their career advancement would then be in jeopardy. For senior officers, such as those with the rank of colonel and above, the BSPP had developed a system of opportunities through patronage, which created an avenue to prominent positions with the Tatmadaw and the government, and allowed access to scarce resources. Gaining access to this Soviet-style *Nomenklatura,* or what Djilas would call a "new class," ensured the loyalty of the Tatmadaw personnel to the ruling party and prevented splits with the Tatmadaw. As a result, the officer corps was united behind its Chief of Staff and was loyal to the BSPP to the very last moment in the political chaos of 1988." (Myoe 2009, 62-63)

demanding multi-party democracy. The BSPP try to head-off trouble by accepting the resignation of Ne Win. The symbolic leadership change did little to appease the swelling crowds. Between August and September, the Tatmadaw for the first time turned their guns on ethnic Burmans, putting an end to the pro-democracy demonstrations, killing thousands of unarmed civilians. (Callahan 2003, 210) Segments of the Tatmadaw seized political power in what Croissant and Kamerling (2013) called an "awkward self-coup" in September 1988. (106) The Tatmadaw dissolved the BSPP, formed the SLORC, suspended the 1974 constitution, and promised to hold elections.

At the start, SLORC was chaired by General Saw Maung and consisted of 19 to 21 members, drawn from the Defense Headquarters in Rangoon and nine regional commanders with most council members concurrently filling cabinet positions. (Min 2008, 1024) Furthermore, the SLORC formed a cabinet appointing minister drawn entirely from the military. In coordination with the members of the SLORC, General Than Shwe replaced General Saw Maung as head of state and commander-in-chief of the Tatmadaw in 1992. (Min 2008, 1024) Incidentally, Than Shwe served as head of state from 1992 to 2011. The size of the SLORC remained constant until 1997 when the cabinet swelled to thirty-eight members, with an additional thirty-two deputy ministers. (Lee 2014, 164) In November 1997, the junta gave itself a new political face, discontinuing the SLORC and rebranding itself as the SPDC. With the name change, Senior General Than Shwe infused new leadership into the inner circle and eased older members out, appointing them into an "advisory" position. Former members of the SLORC, except the chairman, vice-chairman secretary 1 and secretary 2, and two deputy prime ministers, were made members of the "Advisory Group" of the SPDC. Thus, the

most senior personnel in the SPDC remained the same. (Lee 2014, 164) The advisory group was later abolished on June 5, 1998, and all its members forced to resign their commissions on June 1, 1998. (Myoe 2009, 70).

Under heavy restrictions the elections took place in 1990, but the results were nullified when the opposition party National League for Democracy (NLD), headed by Aung San Suu Kyi, achieved a landslide victory winning 392 of the 425 seats. The military backed National Unity Party (NUP) received an abysmal 10 seats. (Fredholm 1993) Instead of recognizing the will of the people, the military junta doubled down on direct military rule distrusting the NLD or any other civilian group could keep the country unified and secure its political property rights. Feigning political reforms, in 2003, the regime declared a seven-point road map for political transition to "disciplined democracy" which would encompass the redrafting of the constitution. (Selth 2008; Pedersen 2011; Croissant and Kamerling 2013) The declaration, however, lacked a time frame and the initiative was eventually suspended until popular discontent again erupted in 2007 which again forced the junta to respond with deadly force.

With the collapse of the socialist system following the 1988 uprising and coup, the SLORC set out to rebuild the state. Although the regime moved away from socialism, continuity prevailed with the military prioritizing stability and order above all else. Confronting the task of creating a new political and economic system from scratch, the SLORC relied on the tool it knew best—the Tatmadaw. Launching the ultimate military-industrial complex undertaking, it rebuilt the state by transforming the Tatmadaw into a modern force. This rebuilding entailed a massive expansion of the armed forces. From 1988 until 1996, the Tatmadaw doubled in size going from 186,000

to more than 370,000 troops. (Callahan 2003, 211) The junta spent over $1 billion on 140 new combat aircraft, 30 naval vessels, 170 tanks, 250 armored personnel carriers, rocket launch systems, as well as other advanced equipment and hardware. (Callahan 2003, 211) Additionally, it erected new army garrisons, naval and air force bases in towns and villages across the country. Expanding the military industrial base and putting the country back to work, the regime also launched an import substitution program in the critical areas of arms and manufacturing. Between 40 and 60 percent of the national budget funded the military expansion. (Callahan 2003, 211)

During the socialist era, the military was not permitted to engage in commercial activity. After 1988, the regime lifted these restrictions and the military energized its commercial interests providing an off-budget source of revenue and lucrative opportunities for self-enrichment. The two prominent military-owned enterprises included the Union of Myanmar Economic Holdings, Ltd (UMEH), which controls Burma's gem market, and the Myanmar Economic Corporation (MEC) with holdings in banking, gem, tourism, real estate, food stuff, and etc. (Callahan 2003; Myoe 2009) In addition to off-budget revenue from commercial enterprises, the government's "whitening tax" on foreign exchange profits from the opium and methamphetamine trade funded the military's modernization and arms procurement projects. (Callahan 2003, 211)

As it rebuilt the state and transformed the Tatmadaw, the junta also reinforced the hierarchical relationship between senior leaders and the officer corps. Never far from the minds of the military leadership was the prospect of opportunistic shirking among the ranks. The Tatmadaw had experienced several cycles of repression and with each iteration it renegotiated and readjusted the contract to reinforce the credible commitment

between senior leaders and the officer rank and file. The transformation and reorganization of the Tatmadaw provided a convenient outlet to make institutional adjustments. Tweaks to the institutional arrangement bolstered credible commitment up and down the chain of command by reinforcing horizontal investment between senior officers (owners) and vertical investment between senior and junior officers (owner and managers). In short, institutions were gradually put in place to ensure the perpetuation of military rule in Burma and reinforce the hierarchy and subordination of the military by creating mutual sunk investment from the top down.

The 1988 uprising and subsequent electoral defeat of the army-backed National Unity Party (NUP) in the 1990 greatly undermined the junta and central authorities. With the center weakened, the SLORC devolved power to regional commanders to stabilize the country. Acting on behalf of the junta, regional commanders eliminated political dissent at the local level, dismantled the old political party system, and created new administrative and economic arrangements. (Myoe 2009; Lee 2014) While solving the problem of pacifying the country, decentralization was a potential threat to the junta. Regional commanders enjoyed enormous political and economic power, ruling with de facto autonomy over their regions for several years. During the socialist period, regional commanders were subject to discipline from state party organs and their political authority constrained by the party rank hierarchy. (Myoe 2009; Lee 2014) The collapse of the party system removed these institutional checks and balances on party members. To ensure the regional and local commanders were invested in the junta, their command positions were raised to the level of major general and they were automatically made members of the SLORC. Moreover, these officers were appointed chairmen of state- and

division-level Law and Order Restoration Councils (LORCs). (Lee 2014, 169) With these responsibilities, military commanders were formally vested with both military and administrative responsibility for their command areas.

By 1992, the center reconstituted its power and began the process of recentralization when all the regional commanders, except one, were reassigned to Rangoon as cabinet minister. Since 1992, there have been regular appointments and rotation of regional military commanders. (Myoe 2009, 70) Placed in command for about five to six years, regional commanders were unable to build up an autonomous power base to challenge the center. The reshuffling of senior military officers became a common occurrence throughout the more than two-decade rule of the SLORC/SPDC. (Lee 2014, 186) As Myoe (2009) argues, the Tatmadaw leadership will take "all necessary measures to prevent the Tatmadaw being subjected to open split and disintegration. (71) Prompting regularized rotation, the junta employed coup-proofing strategies to insulate military commanders from domestic politics.

The junta regime sought to reinforce mutual interdependence between the ruling junta and the Tatmadaw and recommit to a hierarchical governance—i.e. reaffirming the master-servant relationship. Throughout the 1990s, the military leadership regularly reminded its commanders that the Tatmadaw had to be rebuilt through four means: training, administration, welfare, and morale. (Myoe 2009, 175) From the owner side, the regime demonstrated its commitment to the hierarchal relationship through investment in military modernization and improvements in morale and welfare. As discussed earlier, the junta invested heavily in the Tatmadaw's infrastructure, buying advanced weapons, and investing in new technologies. This expansion and modernization of the military was

accompanied by the establishment of an array of welfare, health, and educational facilities that insulated members of the Tatmadaw, creating an "exclusive social order" of privilege for active-duty and retired soldiers. (Callahan 2003, 211-212) Lee (2014) described these special dispensations for the military class:

> Membership in the armed forces provides officers and even those in the lower ranks, such as noncommissioned officers, a chance to buy valuable land at cheap prices; receive low-interest loans to launch businesses; and channel privileges, contracts, and resources toward private business people in exchange for substantial financial rewards. Being in the Tatmadaw promises a career, an education, social status, and access to services denied to the general population. There are special schools and hospitals for those in the military and their dependents. Military personnel live in secluded, subsidized housing and have access to goods and services not available in typical stores. The holder of an army pass is assured a seat on a train or an airplane, and a policeman would never dare to report him or her for violating traffic rules. (74)

The investment in the military's morale and welfare were made possible, for one, because the junta had sanctioned the Tatmadaw's control over the country's natural resources as cabinet ministers, regional commanders, and CEOs of commercial enterprises. To further increase the officer corps dependence on the largess of the state, the SLORC opened up new sources of funding to build the Tatmadaw. (Myoe 2009, 176) Jettisoning the autarchic policies of the prior socialist regime, the SLORC reenergized commercial activities created a new class of military entrepreneurs. Consequently, these positions provided the holders access to vast rent-seeking opportunities through licenses. "These licenses include those for the exploitation of natural resources, for the import and export trade, and government construction projects, including the construction of hotels, tourist resorts, and the new airport in the new capital Naypyidaw." (Lee 2014, 74)

From the manager side, the regime encouraged the officer corps to invest in technical proficiency and increased asset specificity. To further this goal, between 1989

and 1996, the SLORC obtained seventeen cease-fire agreements with minority insurgents. (Callahan 2003, 220) With shifting policy towards ethnic minorities, the Tatmadaw changed operational objectives and doctrine to deemphasize counterinsurgency and focus on conventional warfare. However, this redirection in policy created an experiential gap between generations of officers. With significantly less experience fighting wars, the Tatmadaw needed other means to measure an officer's potential from promotion. Consequently, promotions and advancement were increasingly tied to technical expertise, training, and higher education. For one, a commissioned officer required a university degree and promotion to midlevel ranks required the completion of a master's degree at the National Defense College. (Myoe 2009; Lee 2014) In short, the Tatmadaw established routine practices through which midlevel officers could be promoted to senior positions either within the military or the government. These measures introduced a degree of merit into the personnel system, as such, a junior ranking officer could not be promoted based solely on his personal connections with senior officers. According to Lee (2014),

> The common belief or expectation among midlevel officers was that if they worked hard and carried out their assigned duties diligently, the officer would eventually get to know his senior officers well and earn the chance to win their trust. He then would be able to convince the officer's superiors that he was both trustworthy and capable of completing their assigned duties. (173)

Thus, the military regime gave officers reason to invest in asset specificity by codifying the requirements for advancement. Because promotion requirements were explicitly established, junior officers were able to plan and predict career paths giving them more reason to invest in organizational success and the perpetuation of the regime.

2007 Saffron Revolution

In August 2007, a sudden increase in the government-controlled price of diesel fuel and petrol sparked demonstrations. The ruling SPDC, formerly the SLORC, permitted these small demonstrations to proceed, but the protesters were monitored and contained by police and other security personnel. By early September, Buddhist monks or sangha, staged a demonstration protesting the high cost of living. During the course of the demonstration, members of the security forces attacked a small number of monks. Outraged by the mistreatment of the country's highly revered Buddhist monks, some young monks formed the All Burma Monks Alliance and began to organize their own country-wide protest movement. Inspired by the saffron-colored robes worn by the Buddhist monks, the media labeled the civil resistance campaign, the Saffron Revolution. (Selth 2008, 282) What began as a religious protest, quickly gained momentum, with people from all walks of life joining the thousands of monks. Demands for limited political and economic reforms turned into more strident calls for the overthrow of the military regime and the restoration of democratic rule. By the end of September, crowds on the streets of Rangoon grew as large as 50,000 people and hundreds of thousands of Buddhist monks and other protesters marching in cities across the country. (Global Nonviolent Action Database 2010)

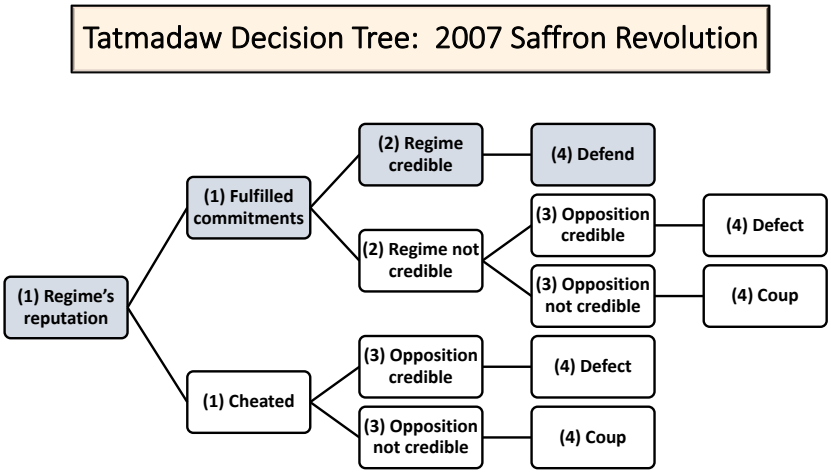
As defenders of the Burmese culture, the participation of Buddhist monks threatened the legitimacy and moral authority of the military regime. Compared with the Tatmadaw's reaction to the uprising in 1988, the predominantly Buddhist armed forces initially exercised restraint and caution. As the demonstrations became larger and more

widespread, the regime launched a deliberate propaganda campaign, challenging the sincerity and authenticity of the demonstrating monks labeling the protestors terrorists and agents of hostile foreign powers. Losing patience as the crisis threatened to spiral out of control, on 26 September, soldiers and police opened fire on unarmed protestors in Rangoon. Later that day, the Tatmadaw raided Rangoon's Buddhist monasteries and forcibly detained hundreds of monks. (Global Nonviolent Action Database 2010) Within days, the bloody crackdown had quelled the movement and silenced the dissident monks. The number of protesters killed during the crisis ranged from thirteen by the government, to thirty-one according to the UN Human Rights Council, to estimates as high as several hundred by pro-democracy groups. (Chowdhury 2008)

Defend, Defect, or Coup: Decision to Defend

In making the determination to defend the junta during the 2007 Saffron Revolution, the Tatmadaw weighed the regime's reputation and future credibility in securing the military's political property rights, see Figure 17, decision point (1) and decision point (2). Finding the junta credible before and after the crisis, the Tatmadaw decided to defend the status quo despite the distasteful use of violence against Buddhist monks. Commanders and officers displayed overwhelming supported for the military regime and exhibited a unified front in confronting demonstrations.

Figure 17. Tatmadaw Decision Tree



* Credible political actors own the political property rights in the exchange and are able to commit to obligations of the contractual agreement.

Decision point (1): Junta's Reputation in Securing the Military's Property Rights

The first consideration is the regime's reputation in fulfilling previous contractual obligations. Did the regime follow-though on contractual commitments or did the regime cheat the military of previously negotiated political property rights? As the previous discussion detailed, the military has ruled Burma in various forms since 1962. Repression has been consistently and ruthlessly applied to silence past protests and other threats to the military regime. Over several cycles of repression, military leaders have proven their reputation and commitment to the hierarchical order which keeps the Tatmadaw unified. In an iterative process, the military regime has consistently secured the political property rights of the officer corps and expanded on those rights. In fact, at each crisis point, the military elite adjusted the institutional arrangements and forms of government to maintain the dominance of the Tatmadaw in politics. Following the 1989

uprising and the demise of the socialist party system, the junta developed new mechanisms to reinforce credible commitment between the "military-as-government" and "military-as-institution." The junta demonstrated a commitment to the Tatmadaw through investment in military modernization and improvements in morale and welfare. These acts gave the officer corps reason to invest in organizational outcomes and the perpetuation of the regime. In short, the two actors demonstrated credible commitments through irreversible specialized investments—the junta's investment in the military's infrastructure and the officer corps investment in asset specificity.

Decision point (2): Junta's Future Credibility in Securing the Military's Property Rights

Finding, the junta upheld it contractual obligations to the military, the Tatmadaw next considered the credibility of the regime following the crisis. What are the future prospects of the junta maintaining its owner rights and ability to commit to obligations of the new contractual agreement? In short, if the Tatmadaw defends the regime, will the junta be able to secure the political property rights of the military to include protection from prosecution for human rights abuses. While succession is typically a concern in assessing the ex post credibility of the regime, succession was not a focal point during this crisis. In past emergencies, the head of the government typically stepped down and another leader was installed through consensus to facilitate reforms and the survival of the regime. The military elite understood the need to present a unified front to avoid visible expressions of dissent or displays of division. The Saffron Revolution, however, did not spur a leadership change with General Than Shwe maintaining his chair. (Lee 2014) With no apparent power struggles within the inner circle, General Than Shwe

remained firmly in charge. Consequently, the officer corps had little doubt about their chain of command and the proper lines of political authority. When commanders followed orders to suppress the uprising, they had confidence the regime would continue to guarantee the Tatmadaw's political property rights.

Despite the widespread popular protests, the junta's hegemony was never in question. Similar to the 1988 uprising, the 2007 Saffron Revolution revealed the weakness of the opposition. Due in part to decades-long brutal suppression of dissident activity, opposition groups failed to combine forces, severely hindering their ability to extract major concessions from the regime. Moreover, the regime's past policies concentrated economic control in the hands of the military, limiting the development of private centers of wealth. (Schock 1999, 359) In short, because of the Tatmadaw's ubiquity in Burma's economy, there was not an independent business class to support dissidents. Along with business elites, religious organizations can potentially offer support to the oppositions. While approximately 85 to 88 percent of Burma's population profess Buddhism as their religion to include a predominant number of the armed forces, Buddhism was a weak organizational force. (Fredholm 1993, 14) Despite the large majority of practicing Buddhist in Burma, the Buddhist sangha (monks) have normally refrained from organizing the faithful or political activism. Although the Saffron Revolution was catalyzed by young Buddhist monks, their participation was not enough to coalesce a coherent opposition force against the regime. Finally, the international community provided nominal financial, organizational, and moral support to dissident groups. Pursuing autarchic economic practices during the socialist era, the military dictatorship had virtually isolated Burma from the outside world for decades. (Schock

1999, 359) Gradually opening up Burma after1988, foreign governments, NGOs, and international companies had not developed strong networks with Burma's emerging civil society. (Selth 2008) Consequently, the regime and the Tatmadaw was confident it could weather any international opprobrium or punitive sanctions. In short, the regime was in a strong political position to crush the opposition and retain political authority following the crisis.

Action point (4): Defend

During the 2007 Saffron Revolution, the junta was firmly in power. No elite divisions manifested within the military before or during the 2007 Saffron Revolution. The opposition remained deeply divided with little financial, organizational, or moral backing from domestic or international sources. Finding the junta credible before and after the crisis, the Tatmadaw decided to defend the status quo. Despite easily crushing the disturbance, the possibility of future uprisings and once again being called to use violence against the revered sangha was an alarming prospect. The Saffron Revolution served as forewarning that the junta needed to find a better strategy to handle and dissipate popular discontent.

Continuing the Cycle of Repression Under a "Roadmap to Democracy"

A wake-up call for the Junta, the 2007 Saffron Revolution triggered a series of "democratic" reforms. The consequences of the bloody crackdown reverberated across Burma and the ruling junta took note. The military may have prevailed in retaining

control of Burma, but crushing dissident Buddhist monks came with a heavy cost introducing a divisive element between the military and Burmese society. The ostracism of the military from the sangha and the community at large, combined with misgivings amongst the devout rank and file within the Tatmadaw weakened the military's claim to political authority. The upshot, the crisis introduced political uncertainty regarding the durability of the Tatmadaw's hold on power under the current institutional arrangements. As with each cycle of repression, the crisis event gave the political actors reason and opportunity to restructure the civil-military arrangements to best protect their future access to political authority and the attached political property rights. To ensure the military retained a majority of owner rights, the ruling military elite made the strategic decision to implement the plan for the "Roadmap to Democracy" introduced in 2003. Rather than be subjected to the unpredictability of transitional justice, the conversion to "civilian" government would be introduced under the terms set by the military. Ideally, the military would establish constitutional safeguards to protect its long-term political property rights without the need to rely or trust civilian authorities. Instead of negotiating their way back to the barracks, the junta designed "formal civilian rule without relinquishing de facto military control of the government." (Pedersen 2011, 52) In short, the military constructed institutions to insulate itself from the political uncertainty that comes with electoral politics.

In August 2003, spurred by the military's failure to gain seats in the 1990 election, the SPDC introduced its "Seven-Point Roadmap to Democracy" to ease the military out of government and return civilian "constitutional" rule. (Pedersen 2011; Myoe 2014) As the "Roadmap to Democracy met various stumbling blocks and the

military lost interest, the initiative fell by the wayside only to be resuscitated following the 2007 crisis. The seven-step process included convening the National Convention, finalizing constitutional principles, drafting the constitution, holding a national referendum to approve the constitution, holding general elections, convening parliamentary sessions, and finally constructing a new democratic state. (Pedersen 2011, 53) When the SPDC began the Roadmap in earnest following the 2007 crisis, it tightly controlled the process. Consequently, groups outside the ruling military class found they had limited negotiating power or room for compromise in the drafting of the constitution. In May 2008, the constitution was formally approved in a national referendum with a highly suspect—94 percent approval rate with a 98 percent nationwide voter turnout. (Pedersen 2011, 54) The first general elections were held in 2010 with the military-backed Union Solidary and Development Party (USDP) winning a majority. Soon thereafter, the SPDC military junta dissolved in March 2011.

The constitution that emerged from this top-down process reflected the junta's objective to institutionalize its owner rights within the confines of multi-party democracy and protect its manager rights from civilian intrusion. The new constitution established a set of institutions including: an elected president, a bicameral national parliament, regular multiparty elections, and for the first time, fourteen regional governments. Although the 2008 constitution formally established a multiparty democracy with regular elections and the associated civil and political rights, Pedersen (2011) highlighted several elements precluding the establishment of a meaningful democratic system:

- the separation of powers is circumvented by the extensive authority provided the president to appoint, dismiss, or otherwise control legislative and judicial officials;

- the military maintains a dominant role in politics, including control of all security-related ministries and committees, as well as 25 percent of the members of the national and regional parliaments;

- the military itself remains fully autonomous, subject to neither executive nor legislative or judicial civilian authority; and

- all democratic rights are subject to "laws enacted for national security" and "the prevalence of law and order." (54)

Pedersen (2011) further observed these shortcomings are compounded by the rules for amending the constitution, which effectively gives the military veto power. (54)

The military elite ensured the maintenance of significant owner rights under the 2008 Constitution. Firstly, in standard constitutional civil-military arrangements the Commander-in-Chief (C-in-C) of the armed forces is typically the head of state (president or prime minister). Under the 2008 constitution, the C-in-C of the Tatmadaw is not a civilian head of state, but a senior military officer in the Tatmadaw. Although the C-in-C is formally appointed by the president, for all practical purposes, it is the incumbent C-in-C who decides his successor. Because of this provision, the C-in-C of the Tatmadaw, according to Myoe (2014), is the single most important power broker in Burma. (6) The power held by the C-in-C include, but not all inclusive.

- nominates 25% of the representation in the *Pyidaungsu Hluttaw* (Union Parliament), and one-third in the state and regional assemblies;

- nominates three ministerial portfolios—for defense, home affairs and border area affairs;

- selects one of the three vice-presidential candidates, of which the Presidential Electoral Colleges elects one as president;

- serves as supreme commander of all armed forces, including the police, paramilitary organizations and even the civil defense forces; and

- authorizes the mobilization of the population for national defense. (Union of Myanmar 2008)

Beyond the powers of the C-in-C, the Tatmadaw maintains considerable constitutional provisions to allow it to intervene in politics in the pretense of national defense. While the Tatmadaw does not have the constitutional right to intercede directly in the process of making or breaking a government, the Constitution details procedures for the Tatmadaw to assume state powers during a declaration of a state of emergency. "The President may, if necessary, declare a military administrative order. In the said order, the executive powers and duties and the judicial powers and duties concerning community peace and tranquility and prevalence of law and order shall be conferred on the Commander-in-Chief of the Defence Services." (Union of Myanmar 2008, Section 413) Moreover, Myoe (2014) suggested military leadership can indirectly exercise its influence through the National Defense and Security Council (NDSC), in which the C-in-C controls at least six out of 11 members and commands a majority.

> In the event of any major political and security issue and in any state of emergency, the president needs to consult with and seek approval from the NDSC. Under the declaration of a state of emergency, if not all the members of the NDSC are able to attend the meeting, the president needs to consult with the C-in-C, the Deputy C-in-C and ministers for defense and home affairs before any announcement can be made. This indicates that the C-in-C is in a position to exercise considerable influence on the administrative functions of the government. (7)

Moreover, the Tatmadaw holds the exclusive right to make and implement defense, internal security and border affairs policies. "The Defence Services shall lead in safeguarding the Union against all internal and external dangers." (Union of Myanmar

2008, Section 339) In short, the military added fail-safe provisions into the constitution if multi-party democratic politics proved to be a misadventure.

Under the new constitution, the military also maintained strong manager rights. The Tatmadaw ensured it remained an autonomous institution within the state with little to no civilian oversight. (Pederson 2011; Myoe 2014) According to the Constitution, the Tatmadaw has the right to administer and adjudicate all affairs of the armed forces independently. In terms of national defense policy making and implementation, the Tatmadaw enjoys the exclusive right to set its own agenda and there is no mechanism for civilian oversight. In other words, civilian authorities and other institutions of the state are not in a position to oversee any aspect of military affairs or suggest reforms to the Tatmadaw's command structure, doctrine, military education and doctrine, budget allocations, and arms procurement. Furthermore, civilian authorities are given minimal constitutional provisions to effect high-level Tatmadaw personnel appointments and promotions, which include police and military personnel seated in other ministries. (Myoe 2014, 8) Of note, in an act of self-preservation the military leadership ensured it would not be subject to transitional justice. For example, in matters before military tribunals, "the decision of the Commander-in-Chief is final and conclusive." (Union of Myanmar 2008, Section 343) Interestingly, the Tatmadaw also codified the preservation of political property rights for its most vulnerable members adding rules regarding the welfare of military personnel and families. "A law shall be enacted to provide assistance and care for disabled Defence Services personnel and the families of deceased or fallen Defence Services personnel." (Union of Myanmar 2008, Section 344)

Conclusion

Entering post-colonial independence as a war-torn country, Burma's new government faced challenges by various sectors of society—with armed separatist, communist agitators, and communal violence barring any political compromise. State formation, in turn, was a bloody process with decades of civil strife resulting in an estimated 500,000 people killed. (Callahan 2003, 210) The only political actor able to bring law and order to Burma was the Tatmadaw. The explosive security environment and extended duration of political instability led to the military taking a dominant role in politics and reaffirmed the Tatmadaw's self-image as guardian of the state. The early period of growth and operational autonomy of the military also created institutional arrangements beyond the realm of civilian control and oversight. As a consequence of the relative weakness of civilian institutions, the Tatmadaw has controlled politics, directly or indirectly, in successive authoritarian governments since 1962. Thus, the ceaseless cycles of repression explained the persistence of the military's political dominance. Each cycle of repression served to unify the military enclave and reinforced their entitlement to rule. As its self-image is tied to upholding the unified and sovereign state of Burma, the Tatmadaw began to equate challenges to its political authority as threats to the state. Without equivocation, the junta has demonstrated the "willingness to use overwhelming coercive force against anyone who takes to the streets or takes up arms to challenge its rule." (Slater 2014, 172)

With the bloody suppression of dissident Buddhist monks in 2007, the military concluded that their hold on political authority required a new strategy. The military

regime initiated a number of measures aimed at political and economic liberalization—drafting a multiparty constitution, holding elections, and allowing the growth of civilian institutions. However, the establishment of nominally democratic institutions reflects the military's efforts to institutionalize its owner rights and protect its manager rights from civilian intrusion. Rather than have the masses determine the fate of the regime in a bottom-up revolution, the military decided to control the transition process from the top-down. Since the military remains the central figure in Burma, it has overwhelming veto power on the structure and pace of reforms. Barany (2015) best summarizes the obstacles faced in reforming politics in Burma:

> The 2008 Constitution protects the military from being held accountable for past wrongdoings, disqualifies opposition leader Aung San Suu Kyi from running for president, and reserves 25 percent of parliamentary seats for Tatmadaw appointees. Given that 75 percent of parliament is needed to approve constitutional amendments, this creates a veritable "constitutional bunker" for the military. The constitution not only ensures the military's continuing dominance, but especially the influence of senior members of the military junta. (98)

As discussed in the entrepreneur army chapter, when cartel armies transition back to the barracks, they do so under their own terms. (Linz and Stepan 1978; O'Donnell and Schmitter 1986; Geddes 1999) Notably, when cartel armies step aside, to allow civilians to run day-to-day governance of the state, the military leadership have designed a system that ensures the predominance of the officer corps.

Since the initiation of the liberalization process in Burma, scholars have debated the prospect of democratization in Burma. (Nyein 2009; Pedersen 2011; Englehart 2012; Farrelly 2013; Myoe 2014; Slater 2014; Barany 2015) Taking a cautionary perspective, Myoe (2014) expressed concern that insufficient trust between the Tatmadaw and emerging political stakeholders will provoke a backlash against the ongoing liberalization

process. (2) Pedersen (2011) held a more optimistic view, asserting the liberalization process is a confidence building exercise between the Tatmadaw and civilians. (65) Describing Burma's political reforms as a complex confidence game, Slater (2014) viewed the top-down reform process as one of double-edged détente between the ruling Tatmadaw and its internal rivals. As such, the détente is "inherently fragile because it rests on the current regime's confidence that democratization will produce neither serious instability nor even its own decisive defeat." (171) If the building of democratic institutions is a negotiation between civilian and military stakeholders, civilian actors must prove their credibility to secure the political property rights of the military. It is yet to be seen, if the Tatmadaw will have the confidence to allow civilian authorities to gain an equal or predominant share of owner rights. As Burma showcases, in the politics of democratic reforms, civil-military institutional arrangements matter. Since institutional arrangements favor the military, it will be difficult for civilians to reassert control over the Tatmadaw. Military supremacy, or the lack of civil control of the military, is therefore, the largest obstacle to liberalization and democratization in Burma.

CHAPTER 7

CONCLUSION

This dissertation proposes a theory of authoritarian control of the armed forces using the economic theory of the firm. Civilian control over the military in an authoritarian system is a delicate balancing act. To establish a "master-servant" relationship, an organization structures governance as a long-term contractual agreement to mitigate the vulnerabilities associated with uncertainty and bilateral dependency. The bargaining power for civilian and military actors entering a contractual relationship is assessed by two dimensions: the negotiated political property rights and the credible guarantee of those rights. These dimensions outline four civil-military institutional arrangements or army types (cartel, cadre, entrepreneur, and patron armies) in an authoritarian system. This typology also captures the bargaining environment informing the military's decision to defend, defect, or coup when a regime is in crisis.

Because authoritarian systems lack an independent authority to enforce compliance with institutionalized "rules of the game," the ultimate arbiter of conflict is violence. In the cycle of repression, the more the dictator relies on the military for repression to stay in office, the more negotiated political property rights obtained by the military; and the more rights obtained by the military the less civilian control. Once the military gains superiority and later supremacy, it becomes increasingly difficult for civilians to undercut the political power of the military establishment and apply control over the armed forces. In other words, the dependence on coercive violence entails a paradox for the dictator—the agents empowered to manage violence are also empowered

to act against the regime. To minimize this threat, the dictator may choose to default on the political bargain through coup-proofing strategies at the cost to the regime's credibility and reputation. The dictator's reputation and credibility in turn impacts a military's decision to defend, defect, or coup during times of crisis.

Summary of Findings

The theoretical model and typology generated in this project further our understanding of the strategic bargaining between political and military elites in the design of civil-military institutions in authoritarian systems. The balance of power between civilian authorities and the armed forces determines the contractually agreed upon institutional framework and ultimately the level political property rights gained and maintained by each actor. The cycle of repression provides insights into the arrangement of civil-military institutions before and after a crisis event. A crisis event requiring the application of military repression provides each actor an opportunity to reevaluate and restructure the governing arrangements of the contractual relationship. Consequently, when regimes require the military to intervene in politics for regime maintenance the distribution of political property rights are negotiated impacting the structure of civil-military institutions. The case studies in this dissertation illustrated the importance of regime reputation and credibility in preserving the contractual relationship between the ruling and military elite.

In the China case, the Chinese Communist Party retained the preponderance of owner rights in the civil-military political bargain by leveraging party mechanisms to

control the military. The PLA had consistently recognized the Party's legitimate right to control the army. Moreover, the CCP had demonstrated it was firmly in power and clarified the succession question. When the Chinese Communist Party ordered the PLA to quell protestors during the 1989 Tiananmen Square Movement, the Party had proven its reputation and future credibility to commit to contractual obligations. Finding the CCP credible before and after the crisis, the PLA decided to defend the status quo. In agreeing to defend the regime, the PLA also received compensation from the Party. To advance the PLA's goal to limit its exposure to political uncertainty—it negotiated for stronger manager rights thereby increasing its professional autonomy. The military establishment also received a long-desired increase in military spending to further their modernization goals. Although the PLA received budgetary benefits and secured its manager rights, the application of repression did not cost the Party the disbursement of owner rights. Because the Party and the PLA had credibly committed to the relationship through reciprocal acts, the cost of repression was significantly lower for the Party. As a result, the civil-military arrangement did not transition and the Party remained in the position of supremacy.

In the Philippine case, Marcos retained the preponderance of owner rights in the civil-military political bargain controlling the military through patron army arrangements. As such, the regime sustained the civil-military contractual obligation through direct transfers, or clientelistic exchanges between Marcos and the military establishment. As a consequence, the military's political property rights were not institutionally guaranteed but singularly dependent on the patronage of Marcos. After coming to power in 1965, Marcos involved the military in every aspect of authoritarian rule—censorship,

repression, and governance. All the while bolstered by the coercive power of the army, Marcos became increasing vulnerable to the threat from his own generals. Realizing his vulnerability, Marcos began to undercut the military's political property rights to check the power and independence of the military elite. When Marcos required the support of the military to suppress the 1986 People Power Movement, his poor reputation and lack of credible commitment to the civil-military agreement led to the defection of his generals and the end of his regime. Deeply divided and lacking legitimate political authority, the military elite brokered a deal with the civilian opposition to take part in the new government and democratic transition. Before Marcos's cycle of repression, the military was not considered a significant power broker in politics. However, after gaining unprecedented political authority under martial law, the officer corps had obtained their membership among the political establishment.

In the Indonesian case, the overreliance on the Indonesian army for repression led to the rise of entrepreneur institutional arrangements. After the introduction of martial law in 1957, the emergency condition expanded the military's political property rights and increased its political authority in general administration and economic management of the country. Consequently, in the distribution of political property rights President Sukarno and the military elite shared ownership. During the initial years, the military brass was invested in preserving the existing social order and the political arrangement of Sukarno's Guided Democracy. However, disrupting the equilibrium, Sukarno opportunistically aligned himself with the communist party, PKI, to counterbalance the power of the Indonesian army. Sukarno's action had the effect of limiting the contractually agreed upon owner political property rights of the military. The army found

Sukarno's rapprochement with the PKI unsettling and was adamantly opposed to sharing any ownership with the communist party. The break in the contract ultimately led to the army removing Sukarno from office in 1965 and establishing a military dictatorship. After edging Sukarno out of power in a "disguised" coup, the Indonesian military moved quickly to secure full owner political property rights and remove any remaining political competitors. With "Letter of 11 March" and the purge of the PKI, Suharto and the generals had achieved military supremacy transitioning the civil-military arrangements from an entrepreneur to cartel army.

In the Burma case, the predominance of the Burmese army, Tatmadaw, was due in part to the bloody process of state building following independence from the British. Burma entered post-colonial independence as a war-torn country with the new government facing challenges from armed separatist, communist agitators, and communal violence. As a result of the relative weakness of civilian institutions, the Tatmadaw was the only political actor able to bring law and order to Burma. The ceaseless cycles of repression experienced in Burma explains the persistence of the Tatmadaw's dominance over civilian counterparts in a cartel army civil-military arrangement. Each cycle of repression served to unify the Tatmadaw officers and reinforced their entitlement to rule. Contributing to the military's monopoly, the junta instituted measures to credibly secure the vast political property rights the military enclave had gained over time. When protesting monks and other demonstrators in the 2007 Saffron Revolution challenged the Junta, the Tatmadaw did not hesitate to defend the status quo viewing the uprising as another iteration of the cycle. As a result, the civil-

military arrangement did not transition and the generals remained in a position of supremacy.

Civil-military institutional arrangements prior to crisis events are a large determinant in whether the post-crisis transition is dominated by military or civilian political actors. Accordingly, the political actor's level of ownership impacts the structure of the regime following a crisis. Based on the army type, or bargaining position of civilian and military actors, we can make some cursory projections about political transitions. For instance, if the military has majority ownership of political property rights after the crisis, the new regime will most likely be institutionally designed by military elites. As the Asian case studies from the previous chapters illustrated, in entrepreneur and cartel army arrangements (Indonesia and Burma), the military was able to design post-crisis political institutions in their favor. As Cook (2007) observed, during periods of regime crisis, the military elite in military-dominated states shed the veneer of apolitical servant—revealing themselves as the locus of power—to reestablish political order. Alternatively, in countries with less dominant militaries (patron army arrangements), such as the Philippines, democratic transitions, while fraught, are more likely. Military and civilian actors in the Philippines had parity in bargaining power—as reflected in the post-crisis drafting of the constitution and democratic trajectory of reforms. The upshot, the bargaining power of actors and the structure of civil-military institutional arrangements have an impact on regime maintenance, regime transitions, and democratization post crisis.

Implications for Future Research

The goal of this project was to expand our understanding of the organizational behavior of the military and the institutions that condition its obedience to civilian masters. In the cases examined in this dissertation, the central role military actors have on the survival of regimes in crisis was undeniable. The military's decision to defend, defect, or coup had a profound impact on a regime's trajectory—whether the regime survived, crumbled, or reconstituted. The cycle of repression and typology of civil-military relations appear to explain the military's behavior in these four Asian cases. But how well does the model apply to another region and alternative set of cases? In other words, how generalizable is my theory?

The Arab Spring was a series of anti-government protests and popular uprisings that spread across the Middle East in late 2010 into early 2011 which led to the biggest political transformation in the region since decolonization. The defection of several armies during the Arab Spring, came as a surprise to some scholars because it was long assumed that the "robustness of authoritarianism" was due in part to the state's coercive apparatus willingness to "crush reform initiatives from below." (Bellin 2004, 144) Moreover, the military is often seen as the promoter of the status quo. More confounding, dictators that were troubled by mass defection from their armed forces had successfully employed coup-proofing measures which by all appearances kept the military in the barracks. While these measures may have kept the military from threatening the status quo, it was not enough to compel the generals to defend the regime. Mass defection of the armed forces during the 2011 Arab Spring demonstrated the dictator's dilemma in gaining and maintaining positive control of the armed forces.

The theoretical framework established in this dissertation may be able to assist in understanding the different regime trajectories during the Arab Spring. Much like the Asian case studies examined in previous chapters, I argue civil-military institutional arrangements would impact the armed forces response to the uprisings across the Arab world. The Arab Spring provides an interesting set of cases studies to peripherally test the generalizability of my theoretical model. As Brooks (2019) observed the uprisings offered scholars a natural experiment:

> Faced with large protests in late 2010 and early 2011 across the Arab world, militaries reacted differently. Some defected from the political leaders and refused to fire on protesters to disperse them (Tunisia and Egypt); some remained loyal and repressed protesters (Syria and Bahrain); other fractured, with some units defending the leaders and other refusing to repress demonstrations (Libya and Yemen). (6)

These countries—Egypt, Syria, Bahrain, Tunisia, Libya and Yemen—all experienced mass popular uprisings during the same time period; they also had similar political, economic, and cultural backgrounds. More importantly, these cases offered variation in three respects—civil-military institutional arrangements, the military's reaction to the crisis event, and post-crisis outcomes.

Based on the scholarship and conclusions drawn by Lutterbeck (2013), Albrecht (2015a), Barany (2016), and Brooks (2017) on military behavior during the Arab Spring, I am able to provide a cursory application of this project's typology and model to these six cases (Table 4). While not a definitive application of the cycle of repression, it illustrates how my typology and theoretical model may be leveraged in alternative cases. More research should be pursued to test the model applying cases from the Arab Spring

and other popular movements. A large-*n* study could also be conducted to further test the external validity of my theory.

Table 4. Arab Spring Case Studies: Defend, Defect, or Coup

Country	Type	(1) Regime's Past Reputation	(2) Regime's Credibility	(3) Opposition's Credibility	(4) Military's Action
Egypt	Entrepreneur	Yes	No	No	Coup (delayed)
Syria	Cadre	Yes (officers)	Yes (officers)		Defend (civil war)
Bahrain	Patron	Yes	Yes		Defend
Tunisia	Patron	No		Yes	Defect
Yemen	Patron	No		Yes/No	Split (civil war)
Libya	Patron	No		Yes/No	Split (civil war)

(1) Regime's past reputation: did the dictator commit to the civil-military contract before the crisis?
(2) Regime's future credibility: can the dictator commit to the renegotiated civil-military contract after the crisis?
(3) Opposition's credibility: can the opposition commit to the negotiated civil-military contract after the crisis?
(4) Military's action: military's decision to defend, defect, or coup.

Civil-military institutions may be deliberately designed, or they can be inherited from previous regimes, or even former colonizers. However, these institutional arrangements are not static, but continue to evolve as circumstances and actors change. North (1990) noted, "Incremental change comes from the perceptions of the entrepreneurs in political and economic organizations that they could do better by altering the existing institutional framework at some margin." (8) Consequently, opportunistic behavior at the margins may gradually alter institutions, however, these changes are often

imperceptible. The choice to select cases with notable crisis moments requiring military repression for regime maintenance limits this study. Unfortunately, this selection bias gives the appearance that military actors are always making gains vis-à-vis civilian actors. As Mahoney and Thelen (2010) noted despite the scholarly work produced that would indicate otherwise most institutional change occurs incrementally and register as change long after measures have set change in motion. Mahoney and Thelen (2010) also observed that the bulk of research on institutional change focused on rapid often dramatic change such as revolutions or regime change. Given the propensity to study dramatic breaks from the past, more research should be done to examine incremental change in civil-military arrangements using the conceptual tools development in this project. I speculate that incremental change would probably favor civilian leaders if they are vested with the authority to make new institutional rules.

As illustrated throughout this dissertation, civil-military governing arrangements have a profound impact on regime maintenance, regime transitions, and democratization. Few works have examined the institutional arrangements that constitute the authoritarian civil-military relationship. Scholars have inconsistently conceptualized, operationalized, and measured the variations in civil-military institutions and their impact on authoritarian civil control. The typology introduced in this project sought to define and conceptualize civil-military institutions in authoritarian regimes. Moreover, Brooks (2019) identified the unwarranted divide across the civil-military relations subfield which treated topics such as civil control, coup-prevention, repression, and military effectiveness as separate phenomenon of study. This project provides a means to integrate these four competing imperatives for the dictator into a coherent analytical framework. The cycle of

repression captures the various stages in the life-cycle of the political contract between the regime and the armed forces providing insights into institutional changes governing the relationship before and after a crisis event. As such, this project furthers our understanding of the complexities of authoritarian civil–military relations and contributes conceptual tools for future studies. This project has never meant to be the final authority on defining and conceptualizing civil-military relations in authoritarian systems but a start of a conversation on the variation and how those variations condition the bargaining power of political actors.

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