

WWZ research seminar

Tuesday, May 22, 2018, 12:30 – 13:45 pm, WWZ, HG, S 13

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<http://www.resec.ethz.ch/people/person-detail.html?persid=170568>

"Resource discoveries and duration of autocratic leadership"

Abstract

In this paper we examine what happens when an autocratic leader discovers natural resources. In a theoretical model we show how increasing the resource stock can lower the probability of a coup for an autocratic leader. We test this prediction with survival analysis techniques to look at the effect of discoveries of giant oil and gas fields on the duration of leaderships in autocracies. Our results show that an increase in the stock of natural resources lowers the hazard faced by an autocrat; resource wealth thus appears to have a stabilizing rather than destabilizing effect on autocratic regimes. The main contribution of the paper is two-fold. First, we develop a dynamic model of resource war where both factions invest in the stocks of military arsenal and the opposition strategically chooses the timing of attack. Second, we provide a novel empirical analysis based on the combination of survival analysis and data on resource discoveries which has not been used before, showing that the stabilizing effect of natural resources also appears when using the stock of resource wealth rather than the flow.