



## DEPARTMENT OF ECONOMICS

Dear all,

You are cordially invited to this exceptional seminar co-organized by CERPE, CRED and CEREFIM at the Department of Economics in Namur.

Hope to see you all,

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# *"Economic Foundations of Political Monopoly"*

**Speaker: Kevin Tsui**

(Clemson University)

**Date and time:** Thursday, May 16, 2012 at **4** pm

**Room:** **E43**, 4th floor, Rempart de la Vierge 8, Namur

### ABSTRACT

This paper presents a theory of competition in dictatorships, in which the possible equilibrium political market structures range from pure monopoly (uncontested kleptocracy with high entry barriers) to perfectly competitive (benevolent dictatorship with regular leadership turnover). Leaders compete sequentially and are constrained by the threat of entry, their ability to tax, or both. By focusing on the incentives for political entry, our model helps to classify regimes and to clarify some of the political science debate as to whether political monopoly power is properly measured by the size of political entry barriers or the frequency of leadership turnover. Moreover, we offer economic interpretations of why some dictatorial regimes are uncontested, why resource abundant countries tend to be nondemocratic, and how technological change affects political development. Finally, we show how external support of opposition political parties and other policies designed to promote democracy may discourage political competition.

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