

# Elites, Redistributive Threats, and Democratic Breakdown in Latin America

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**Abstract:** While redistribuivist theories argue that unequal democracies break down due to incentivizing elites to end democracy to avoid expropriation, many unequal democracies have remained stable for decades. I argue that it is not the masses or democracy itself that elites fear, but credible ‘redistributive threats’ — or political parties espousing a redistribuivist or populist agenda. The emergence of these threats prompt undemocratic behavior among elites to prevent their consolidation of power and the advancement of their redistributive agendas, potentially leading to the breakdown of democracy. To theory-build I draw on the deviant and extreme case of Brazil. I then test the microfoundations of the theory utilizing a survey experiment on Brazilian economic elites, finding that priming elites to think about a redistributive threat undermines their perceptions of democracy. Finally, I test the broader theory in Latin America, finding that the likelihood of a democratic breakdown or coup is substantially higher in the presence of a redistributive threat.

**Keywords:** Democracy, Democratic Breakdown, Inequality, Redistribution, Political Parties, Redistributive Threats

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Former President Luiz Inácio Lula da Silva, who left office in 2010 with approval ratings over 80 percent, followed the the 2018 Brazilian election from prison. Despite intentions to run, he was barred from the election due to corruption charges stemming from a highly politicized prosecution. While this episode does not constitute a ‘democratic breakdown,’ the experience of another highly popular politician — Evo Morales — certainly passes the threshold. Morales watched the 2020 Bolivian election from exile following the breakdown of Bolivian democracy amidst widespread riots and allegations of electoral fraud. Such a clear example of democratic breakdown is less common in contemporary Latin America than past eras. Yet, from a *longue durée* perspective, the Bolivian case is far from unique. Democratic breakdowns are decidedly routine in Latin American history. Since 1900 Latin America has experienced at least 46 episodes of democratic breakdown. And while the breakdown of democracies were particularly prominent during the Cold War, it is not a relic of a bygone era. Many signs point to the durability of democracy in the region ebbing, as both Honduras and Venezuela also experienced democratic breakdowns in 2009, and there exists a cohort of countries dangerously flirting with democratic backsliding or autocratization.

In highly unequal societies elites have an especially strong predisposition to protect what they already have. Although democracy has often been presented as counter to economic elites’ interests (e.g. Boix 2003; Acemoglu and Robinson 2006), democratic rule can be highly amenable to protecting the economic well-being of elites. Elites have myriad strategies at their disposal to ‘lock in’ institutions that protect their property or interests, while also placing high barriers to entry for competing groups to capture political power (Ansell and

Samuels 2014; Albertus and Menaldo 2017). I argue that it is not the ‘masses’ or democracy itself that elites fear, but rather the emergence of a redistributive threat — defined here as political parties with redistributivist goals or the capture of traditional parties by upstart politicians with redistributivist or populist goals. Political parties, in comparison to other forms of political organization, are most likely to induce fear among elites due to their unique abilities to coalesce disparate groups together around a central ideology and capture formal political institutions. Where elites’ fears of democracy are triggered following the rise of redistributive threats that credibly compete for power or outright win elections, the likelihood that elites will engage in undemocratic behavior to prevent redistribution or their consolidation of power substantially increases, potentially leading to the breakdown of democracy.

With the twin goals of both building and testing theory, I draw on an eclectic set of empirical evidence. I first utilize the deviant and extreme case of Brazil to theory-build, and more specifically contribute to the development of an alternative causal pathway, or the ‘political conditions,’ that underpin redistributivist theories of democratic breakdown. I then test the microfoundations of the theory through the employment of a survey experiment on a sample of 103 contemporary Brazilian economic elites, showing that elites primed to think about redistributive threats are more likely to hold less favorable views towards democracy. Finally, I test the broader relationship between redistributive threats and democratic breakdown using a cross-sectional data set on 19 Latin American countries since 1900, finding that the likelihood of democratic breakdowns are significantly higher in the presence of a

redistributive threat.

This article makes a highly focused, but important and necessary, contribution. It seeks to bolster the theoretical underpinnings, and empirical accuracy of, redistributivist theories of democratic breakdown. Recent literature has refuted the empirical evidence backing redistributivist theories of democratic breakdown (e.g. Haggard and Kaufman 2012; Soifer 2013; Slater, Smith, and Nair 2014; Ansell and Samuels 2021). Despite some shortcomings, redistributivist theories of democratic breakdown provide rich theoretical tools to our understanding of how inequality can strain democratic regimes. I break from a predominantly structural account and theoretically develop the political conditions that connect highly unequal polities to the breakdown of democracy. Given that democracy is at best a highly imperfect form of governance for redistribution, structural inequality is a poor proxy for the fear elites have towards expropriation. Rather, what is most likely to entice elites to engage in authoritarian behavior is the presence of *credible* threats of redistribution in democracy. Not only does narrowing our focus on redistributive threats strengthen the depth of our theories of democratic breakdown, but it also sharpens their empirical accuracy by employing a more predictive causal determinant.

## Probing the Deviant and Extreme Case of Brazil

It has been assumed by many that democracy is inherently redistributive; an expansion of suffrage will allow the more populous, but economically disadvantaged, lower and middle classes to use their disproportionate voting power to elect redistributive-friendly politicians,

resulting in the expansion of the welfare state and the amelioration of inequality over time (Meltzer and Richard 1981; Boix 2003; Acemoglu and Robinson 2006; McGuire 2010). While this assumption has served as a foundation for multiple theories, redistributivist theories of breakdown stress a perilous balance between the redistributive nature of democracy and elites' willingness to accept these conditions (Boix 2003, 37-38; Acemoglu and Robinson 2006, 37). High levels of inequality in democracies threatens the economic position of elites — the greater the demand among the masses to soak the rich, the higher the likelihood that elites will engage in a preemptive coup to avert the risk of expropriation of their income and wealth.

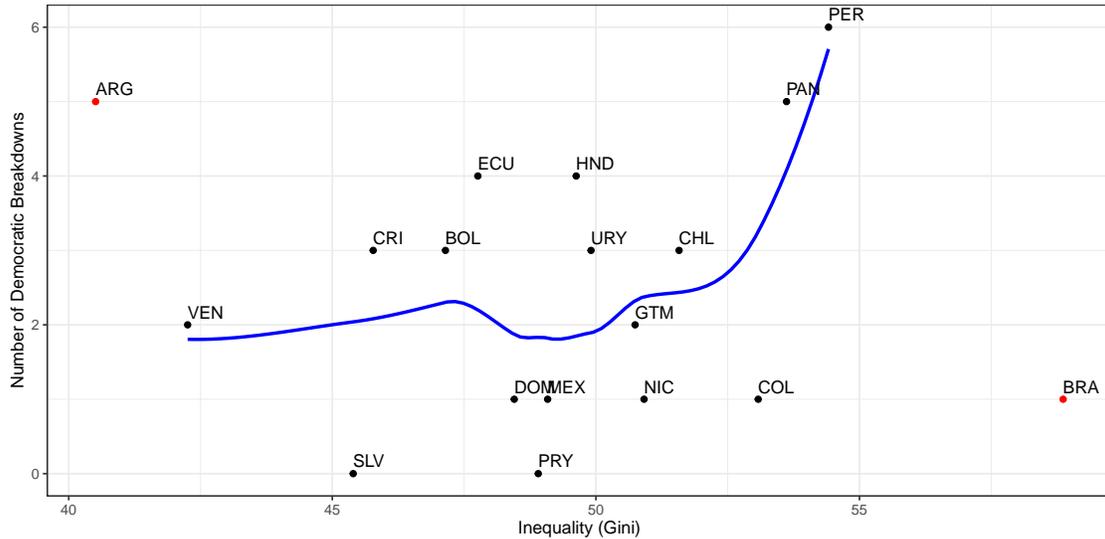
Despite these theoretical contributions, redistributivist theories of breakdown have come under scrutiny for a lack of empirical relationship between inequality and democratic breakdown. In a thorough qualitative analysis, Haggard and Kaufman (2012) find less than half of breakdowns align with redistributivist expectations, while Ansell and Samuels (2021) apply a bevy of quantitative analyses to show that inequality is a poor predictor for democratic quality and survival. Furthermore, Slater, Smith, and Nair (2014) find that democracies that redistribute more income are *less* likely to breakdown.

I do not seek to rehash these important empirical debates. Rather, the goal here is to map the broader relationship in search of outliers, in order to leverage their properties to better understand the relationship between inequality and democratic breakdown. To those ends, I plot the bivariate relationship between structural inequality and the cumulative number of democratic breakdowns among Latin American countries since 1900.<sup>1</sup> As Figure 1 shows,

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<sup>1</sup>The y-axis is total number of episodes where either a democracy or semi-democracy has a major democratic

Figure 1: Inequality and Democratic Breakdown in Latin America



there is a positive relationship between inequality and democratic breakdown, albeit a weak one. More importantly, there are two clear outliers: Argentina and Brazil. Argentina has experienced among the most democratic breakdowns since 1900 yet has the lowest average inequality in the region. In contrast, Brazil is the most unequal country in the region but only experienced one democratic breakdown.

I select the case of Brazil for its particularly high extremeness and deviance from theoretical expectations. No case selection strategy is more appropriate for theoretical exploration than choosing cases which deviate from theoretical expectations and possess extreme values on the independent variable (Gerring 2007; Seawright 2016). In particular, extremeness on the independent variable is highly effective for parsing out alternative causal pathways, due to the high probability that the pathway of interest is capturing a large share of the overall violation, as per coding rules of Mainwaring, Brinks, and Pérez-Liñán (2009). The x-axis is the mean of all pre-tax, pre-transfer income Gini observations since 1900, sourced from the Standardized World Income Inequality Database (SWIID).

effect connecting X with Y (Seawright 2016, 509). Moreover, deviant cases — due to their abnormal error terms — are especially helpful for identifying causal heterogeneity, providing an especially robust environment to discover new information about causal pathways (Seawright 2016, 504). Brazil exhibits the highest extremeness on average inequality with a standardized z-score of 2.18. Brazil is also deviant, given that it possesses staggeringly high inequality yet has experienced only one episode of democratic breakdown despite nearly six decades of democracy.

While deviant and extreme cases can be powerful tools for theory-building, it is also necessary to point out what this case study is *not* designed to do. Case studies have commonly been utilized in the field of comparative politics to test theories, or elucidate on the causal mechanisms of theories. However, it is largely used for the *opposite* purpose here. Initially, the case of Brazil provides a space of gestation to build an alternative redistribuivist theory of democratic breakdown, which necessarily requires the relaxation of our tendency to gauge a theory's accuracy in relation to our interpretation of case studies. Most importantly, the generalizable theory that is constructed, in part upon inferences from the case of Brazil, should not be considered a precise instrument for explaining the stability or breakdown of democratic politics in Brazil. In other words, the validity of the theory advanced here should be judged on its ability to explain democratic breakdown in Latin America, not the relative congruence the theory exhibits with the case of Brazil itself — indeed, Brazil's extremeness and deviance renders the latter task largely untenable. Rather, the case of Brazil offers some select foundational insights that are later theoretically built upon to better understand the

“political conditions” that connect inequality to democratic breakdown.

### **República Populista, Goulart, and the Golpe de '64**

Brazil's first true experiment with democracy — the ‘Fourth’ Republic — began in 1946 following the resignation of the revolutionary and populist authoritarian regime led by Getúlio Vargas. While moderate Eurico Gaspar Dutra's victory marked a clear break from the previous regime, at least a portion of the previous regime's popular base entrenched itself in the *Partido Trabalhista Brasileiro* (PTB). Yet, the PTB was also heterogeneous and the pro-Vargas left-wing and populist factions found themselves among a diverse set of conservative, moderate, and clientelistic networks, reducing their power and rendering the Brazilian left largely non-threatening to many elites. Even when Vargas returned to power in the democratic election of 1950, his inability to build coalitions against the more unified conservative opposition led by the *União Democrática Nacional* (UDN) contributed to his political demise and eventual suicide in 1953.

Serious trepidation towards democracy began to emerge when President Jânio Quadros unexpectedly resigned from office in 1961. Quadros's resignation sparked a political crisis, given that João Goulart, a former protégé of Vargas, was next in the line of succession. João Goulart was looked upon with contempt by conservatives and the military primarily because of his sympathy towards left-wing politics (Dulles 1978, 250-251). Before Goulart even took office a military junta was formed, requesting his immediate impeachment. The fears of top military officials were clear:

“At the time that he was Minister of Labor João Goulart has already clearly demonstrated his ideological tendencies encouraging and even promoting successive and frequent agitations in organized labor circles, with evident political objectives and prejudice against the real interests of our working classes. And it is no less true that there was a broad infiltration that, around that time, took place in the Ministry, even in key positions within the administration, no less in labor unions, active and known agents of international communism, in addition to countless leftist elements” [translation by author].

— ‘*Mensagem 471*’ (Manifesto from Military Junta), August 30, 1961<sup>2</sup>

These type of concerns were also shared by many economic elites and conservative politicians from the UDN. However, legislators were reluctant to cower to the military’s demands, fearing that blocking Goulart from taking office would have deleterious effects on democracy and undermine their own power in the future.<sup>3</sup> Eventually a compromise was reached, permitting Goulart to become president conditional on the severe curtailing of his powers (Labaki 1986, 102–133).

The rise of Goulart was not the only political development that elites found threatening in the early 1960s, as both a growing incorporation of the urban and popular sectors into parties and the PTB’s movement to the left exacerbated their concerns. Although mass incorporation was far from exemplary in 1946-1964 Brazil, growing urbanization and popular sector organization, particularly among the political left, drew power away from traditional rural clientelistic and oligarchic machines and towards more mass-based parties (Hagopian 1996, 63-72; Mainwaring 1999, 71-83). The dominant faction within the PTB also veered to the left, aligning the party with more redistributive-seeking ideologies and enhancing polarization between the PTB and conservative UDN (Santos 1987). Throughout much of the ‘República Populista’ the three major political parties remained ideologically anchored due to their inherent heterogeneity, yet in the early and

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<sup>2</sup>Andrade, Auro Moura. 1985. *Um Congresso contra o arbítrio: diários e memórias*. Rio de Janeiro, RJ: Nova Fronteir.

<sup>3</sup>Congressional debates reveal relatively minimal support for the military’s proposals, particularly among the left and center-left. See: Anais da Câmara dos Deputados de 29/08/1961, pgs. 71-213.

Table 1: Public Support for the ‘*Reformas de Base*’ in the State of São Paulo, March 1964

	Absolutely Necessary	Necessary	Not Necessary	Don't Know
São Paulo	40%	39%	7%	14%
Araraquara	39%	24%	7%	30%
Avaí	52%	17%	6%	25%

Source: Instituto Brasileiro de Opinião Pública e Estatística, Arquivo Edgard Leuenroth. N = 950.

mid-1960s the PTB and UDN began to sort themselves along a clear redistributivist-conservative dimension.

Goulart then broke with centrist factions within the PTB (Skidmore 1967, 224-233), as well as signaled hard movement to the left in speech on March 13 1964 that called for a series of social reforms: the ‘*Reformas de Base*.’ The *reformas de base* were ambitious and expansive; Goulart called for land reform, in addition to other social reforms, as well as the socialization of profits from the banking sector. Despite the popularity of the *reformas de base* (see Table 1), the opposition to these reforms among landed elites, the business sector, and conservatives was intense (Skidmore 1967, 246-247; Cohen 1987, 40). To advance these reforms, Goulart stitched together a coalition — the ‘*Frente Popular*’ — comprised of left-wing factions in the PTB, other major and minor parties, and trade unions (Ferreira 2013, 131). The combination of the PTB’s movement to the left, as well as Goulart’s efforts at realigning the PTB with other more radical left-wing parties and groups, clearly signaled the emergence of a significant redistributive threat to elites and conservative circles — which, until then had been less threatening due to its relative fragmentation. Just over two weeks later the military deposed Goulart in a coup on 1 April 1964, ushering in two decades of military rule.

### **Nova República, the Rise of the PT, and the 2018 General Election**

With organizational roots in the militant labor union movement at the center for the struggle for redemocratization, the *Partido dos Trabalhadores* (PT) stood out in the Brazilian party landscape as both highly organized and a staunch advocate for the statist redistribution of wealth and income (Keck 1992). Unlike many contemporary Brazilian parties based on clientelistic and weakly rooted organizational structures (Mainwaring 1999), the PT built a robust network of local grassroots organizational units, as well as embedded itself within a vast array of civil societal organizations (Keck 1992; Baiocchi 2005). Finally after three previous unsuccessful attempts, Lula and the PT won the presidency in 2002.

While the PT certainly heavily moderated its platform from one built on socialist principles in its formative years towards a center-left and less interventionist counterpart (Hunter 2010), it is also true that under Lula Brazil experienced the most substantial, and unprecedented, wave of redistribution in its democratic history. Building upon reforms of his predecessor — President Fernando Henrique Cardoso of the center-right *Partido da Social Democracia Brasileira* — the Lula administration implemented a number of social policies, most notably the centralization and expansion of the *Bolsa Família* conditional cash-transfer program and a series of successive increases in the minimum wage. Coupled with strong economic growth driven by a commodities boom, as well as the social initiatives advanced under the PT, income inequality substantially dropped according to many measures of income dispersion. Yet, an ideology centered on advancing redistribution was not the only aspect of the PT that elites feared. The PT also became a credible, and highly successful, threat — nearly two-thirds of all Brazilians who identified with a party were supporters of the PT by 2010 (Samuels and Zucco 2015). Furthermore, the PT's early investment on their organizational capacity made them a consistent electoral threat every election and a mainstay as one of Brazil's most powerful parties in Congress.

With an impressive political machine behind a party that many elites considered to be a threat to their interests, cracks in Brazilian democracy have begun to appear. When the heavily favored Lula attempted to rerun for president in 2018, he was imprisoned and barred from participating due to corruption charges laid in an investigation often referred to as the ‘*Lava Jato*.’ With its most popular candidate unable to run, the PT lost the election to Jair Bolsonaro. There is substantial evidence that *Lava Jato* was partly utilized for political motivations to prevent Lula from being re-elected, as internal documents later leaked in the press revealed.<sup>4</sup> Furthermore, on 23 March 2021 the Brazilian Supreme Court ruled that key officials involved in the investigation were partial and lacked jurisdiction in the conviction of Lula, annulling the corruption charges, prompting his release from jail, as well as the restoration of his political rights.

## Elites, Redistributive Threats, and Democratic Breakdown

Thus far I have focused on periods where Brazilian democracy was on shaky foundations. But what accounts for Brazil’s deviance in its relative stability compared to other highly unequal democracies?

If inequality erodes democratic stability by enhancing elites’ fear of expropriation, Brazil’s institutional design well-attuned to impeding the power of majoritarian organization has certainly contributed to its relative democratic stability. Brazil’s Madisonian-style institutions have long been baked into formal constitutional structure. In other cases, elites have opportunistically constructed barriers to impede political threats aligned with the popular sectors — the political compromise reached between the legislature and military to strip Goulart of his presidential powers was a naked form of preventing a political threat from advancing their redistributive agenda. Yet, along many

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<sup>4</sup>See, for example: “Procuradores da Lava Jato tramaram em segredo para impedir entrevista de Lula antes das eleições por medo de que ajudasse a ‘eleger o Haddad,’” *The Intercept*, 9 June 2019.

dimensions Brazil's rigid separation of powers — exemplified by its presidentialism, bicameralism, and federalism underpinned by strong states — is not necessarily unique, given other Latin American countries share similar characteristics.

What does set Brazil apart from many others, however, is a unique political culture among its elites, and the formal institutions that have often manifested from it, to actively undermine political parties. Brazilian elites have long been skeptical of the utility of building strong parties. Landed elites captured major political parties during Brazil's '*Velha República*' and harnessed them as vessels of patronage and clientelism (e.g. Hagopian 1996). Following the Revolution of 1930, Vargas eliminated all political parties and only permitted their re-establishment until towards the of the authoritarian regime. Following the Coup of '64 the military banned most political parties and placed heavy constraints on those allowed to exist, only providing sufficient latitude to the opposition party to increase the legitimacy of the military regime (Kinzo 1988). Even following redemocratization in the 1980s, elites remained hardened against party-building (Power 2000). Beyond merely an anti-party culture among Brazilian elites, formal institutions were also designed in a manner that heavily impeded the growth and organization of political parties. There are exceptionally few electoral systems more adept at weakening political parties than Brazil's proportional open-list electoral system — the electoral system often forces intra-party candidates to compete against one another, substantially undermining party cohesiveness, discipline, and organization (Mainwaring 1991; Ames 2002).

While Brazil is exceptional in its animosity towards political parties for a modern democracy, it has been relatively common for elites to harbor skepticism towards political parties — elites have long feared political parties as a potential danger to democracy. In particular, elites have held trepidation towards their vulnerabilities of becoming vessels for the masses or popular factions

to pursue power. The Founding Fathers had deep reservations of their populist tendencies, with Alexander Hamilton famously stating that party-spirit was a “most fatal disease” of stable governance.<sup>5</sup> Simón Bolívar passionately argued for the concentration of political power in the Americas because the “party spirit had its origins in the social groups, assemblies, and popular elections, and these parties returned us to slavery.”<sup>6</sup> These fears no doubt prompted efforts of institutional design to lay obstacles for parties. Madison was so fearful of the rise of ‘factions,’ that he spent much time advocating for and eventually succeeding in, the codification of a complex set of formal institutions designed to quell their power or ability to capture all branches of government.<sup>7</sup>

Given the trepidation towards popular forms of democracy that may run counter to their economic and political interests, a common strategy elites have pursued is to ‘lock in’ institutions that prevent or mitigate future redistribution in democracies (Albertus and Menaldo 2017, 584). Many of these locking institutions constructed by Latin American elites were designed to hinder access to political power for the popular sectors, such as for example the long-lasting 1886 Colombian and 1957 Argentine Constitutions that required senators to own property and possess minimum incomes of 20 times the national average. Others more directly targeted political parties, such as baking in roughly 50 percent representation from conservative parties and the outright banning of working class parties.<sup>8</sup>

If elites have long feared political parties, and parties aligned with redistributive agendas have been at the root of democratic breakdown or the weakening of democracy in Brazil, what makes

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<sup>5</sup>Hamilton, Alexander. *The Defence No. I*, [1792–1795].

<sup>6</sup>Bolívar, Simón. *The Jamaica Letter: Response from a South American to a Gentleman from This Island*, [1815].

<sup>7</sup>See, most prominently: Madison, James. *Federalist #10*, [1787].

<sup>8</sup>Chile’s 1980 Constitution written under military dictatorship famously implemented a bimodal system that effectively capped left or center-left parties at roughly half of the seats of the national legislatures. Guatemala’s 1956 Constitution, for example, explicitly outlawed the *Partido Guatemalteco del Trabajo*.

them so particularly threatening to elites' interests?

### **Political Parties as Redistributive Threats**

I argue that political parties are the most effective form of organization for challenging the socioeconomic status-quo due to two primary reasons: (1) political parties are capable of coalescing individuals and groups around a shared collective ideology, and (2), are uniquely capable of capturing formal political institutions to implement substantive economic and social reform.

Political parties are extremely powerful institutions for constructing collective identities and coalition-building. While the formation of political parties is in part dependent on already existing conflicts or social cleavages (Lipset and Rokkan 1967), parties themselves contribute to the crystallization of political and social identities (Green, Palmquist, and Schickler 2002). This process of identity formation is both dynamic and self-reinforcing; individuals may associate with a party because they self-identify with what that party already represents, but individuals also begin to take on additional traits of that identity over time. Parties are also instrumental in performing a binding function, holding disparate social groups together around collective identities (De Leon, Desai, and Tuğal 2009). Both of these aspects — the ability for parties to mold political identities and strengthen bonds between disparate social groups — provide an opportunity structure for the emergence of a redistributive threat. Individuals with previously weak redistributive interests may take on or solidify those views if they identify with a redistributive-friendly party than other alternatives. Given the highly fragmented nature of the lower, informal, and working classes in the developing world (e.g. Roberts 2002; Doner and Schneider 2016), political parties may be the only representative institution capable of coalescing together such discombobulated economic, social, and political groups around a collective populist or redistributive ideology.

The case of Brazil illustrates how certain political parties, even in party systems often classified as “inchoate,” can effectively bind together social groups or classes. It is difficult to understate the political stranglehold traditional oligarchs had over Brazilian politics during ‘*café com leite*’ era — the urban and informal sectors were disenfranchised and largely excluded from its political system for decades. This political history, as well as the authoritarian military regime, had profound impacts on the structuration of Brazilian society and the fragmented nature of its popular sectors (e.g. Mainwaring 1987; Weyland 1996). Yet, eventually the PTB began to construct the beginnings of a collective organization among disparate urban and working classes centered on populist and redistributivist ideas propagated by major political leaders such as Leonel Brizola and João Goulart. The inclusion of the popular sectors in the political arena, underpinned by a growing PTB, was perceived as a threat to landed elites and conservative political allies (O’Donnell 1973). In the contemporary era, the PT has served much the same function, stitching together fragmented social groups and classes across many highly varied regions of Brazil around left-wing and social democratic ideologies — particularly as it has increasingly incorporated the popular sectors and poor of the North and Northeast (Hunter and Power 2007).

Second, political parties are dangerous to elites due to their unique ability to launch multiple individuals into elected positions and capture formal political institutions. The legitimate exercise of political power in democracies runs predominantly through political parties. There exists no other organization so accessible to the public with greater potential to capture and control the legislative and executive branches, as well as significantly shape policy-making or redistributive outcomes. Many of the world’s most robust welfare states were constructed following the emergence of organized social democratic parties that were able to capture the political system (Huber and Stephens 2001; Huber and Stephens 2012). That does not imply that other forms of political

organization — from labor unions, to interest groups and social movements — cannot induce policy change. However, substantive changes to taxation systems or the implementation of broad and redistributive social programs necessarily requires some degree of concentrated power within formal political institutions, the latter of which is unlikely in the absence of organization through political parties.

Taking these functions together, political parties are indispensable for overcoming institutional and societal obstacles that impair individuals' and groups' ability to coalesce together and push for redistributive outcomes. Despite these benefits of political parties for redistribution, it does not follow that the emergence of redistributive threats are *guaranteed* in unequal societies nor are all political parties *necessarily* effective at redistributing wealth or income. Many political parties provide very little redistributive function, and may even be antithetical to redistribution. There remains profound variation in the types, or behavior, of political parties and party systems across all polities, and societies may be ruled by highly oligarchic and elitist parties for decades, never see the rise of a redistributive threat or upstart populist, or be marred in an endless cycle of inchoate party systems with little to no organization. Rather, in the event that a redistributive threat does emerge to challenge the socioeconomic position of elites, it is most likely to come in the form of a political party.

I also do not wish to advance the argument that all redistributive threats derive from the political left. Although the left has traditionally been the likeliest source for organization centered on redistribution and transformative policy change (e.g. Huber and Stephens 2012; Mainwaring and Pérez-Liñán 2013), what constitutes a 'redistributive threat' to elites is varied. Nationalist or populist political leaders and parties from the right or center have, on occasion, been extremely threatening to elites' interests. For example, there is little question that right-wing Panameñista

Party — and in particular their explicit goals to nationalize key economic assets — were highly threatening to the oligarchic class in early democratic Panama. Redistributive threats may also draw on eclectic sets of ideological bases, as was the case for the difficult-to-classify Orthodox Party in Cuba, of which had clear intentions to redistribute wealth but held support from both conservative and left-wing groups in the late 1940s and early 1950s.

### **Redistributive Threats and Democratic Breakdown**

The relative rarity of democratic breakdown in Brazil compared to other unequal democracies in Latin America is, at least in part, attributable to a dearth of redistributive threats that threatened dominant economic and political elite coalitions. That is, much of Brazil's democratic history has been rife with inchoate party systems and weak political parties (e.g. Mainwaring 1999) — either labor and the urban sectors were incorporated directly into the state in early democratic Brazil (e.g. Collier and Collier 1991), or party systems were comprised of weakly organized parties unable to forge broad redistribution-seeking coalitions and effectively capture political institutions, and thus non-threatening to elites. Yet, as the case of Brazil shows, even in the most optimally designed institutional environment no democracy is immune from the potential emergence of a highly organized party with redistributive goals or the capture of a traditional party by an upstart redistributivist or populist. This is particularly true in unequal societies, which may provide fertile ground for the economically disadvantaged to organize in advance of their redistributive interests (Lipset 1959; Gurr 1970; Dahl 1972; Boswell and Dixon 1993). Although the emergence of redistributive threats is certainly not *inevitable*, over the *longue durée* highly unequal societies with exclusionary institutions may eventually breed the rise of a political party that, at least in part, is centered on the redistribution of income or wealth. Then, in the event of the emergence of a

redistributive threat, what is likely to occur?

I argue that redistributive threats are fundamentally destabilizing to democracy because “all that really matters for democratic stability is that economic elites feel secure” (Coppedge 2000, 111). Virtually all democracies rest on some type of coalition or equilibrium forged between economic and political elites.<sup>9</sup> However, the emergence of a redistributive threat with interests diametrically opposed to those of economic elites ruptures the stability of this coalition, often spurring behavior among elites to protect its survival. Given political parties’ unique abilities to both forge cross-cutting coalitions around a central ideology of expropriation or redistribution and capture formal political institutions, the emergence of organized redistributivist parties constitute a *credible* threat to economic elites. The fears that elites harbor in response may not even need to be congruent with reality (Weyland 2014), and may also be intertwined with fears of the degradation of democracy or political order (Weyland 2019). More important is whether redistributive threats instill enough fear in economic elites to engage in, or at least pressure political elites to undertake,<sup>10</sup> behavior with costs often associated with terminating democracy (Dahl 1972; Ansell and Samuels 2021). Indeed, acute threats to elites’ interests are likely to induce more radical policy preferences and willingness to support undemocratic or unilateral means (Mainwaring and Pérez-Liñán 2013, 36-39).

Once a credible redistributive threat emerges, I argue that the likelihood that elites begin to engage in questionably democratic behavior in an attempt to undermine the redistributive threat substantially increases. Both economic and political elites accrue benefits from preventing redistributive threats from taking or consolidating power; economic elites wish to evade redistribution

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<sup>9</sup>The precise make-up of any given democracy’s coalition varies, as there is always some degree of competing elites and outsider factions (Albertus 2015). The basic assumption here is that the ruling coalition that underpins a democracy is comprised of at least some portion of economic elites.

<sup>10</sup>While there is always overlap between economic elites and political elites in highly unequal societies, I conceptualize political elites as those that routinely occupy high positions in the political regime, including those in high ranking military positions.

or expropriation, while political elites seek to remain the dominant political faction. First, elites will often manipulate electoral and political institutions to prevent certain candidates or parties from running in, or winning, elections. The types of behavior that fall under this category are varied; from utilizing electoral fraud, the preemptive postponement of an upcoming election, or the barring of political candidates or parties — as was the case when the highly favored Lula was barred from running in the 2018 Brazilian election for political motives. There also exists a range in gravity, from minor instances of questionably democratic behavior under the guise of political competition (i.e. modifying electoral rules in the lead-up to an election that favors one particular side) to the more serious (i.e. banning particular parties). However, all these strategies share the characteristic of *involving the active attempt to undermine certain parties or candidates in elections through questionably democratic or undemocratic means*. Although these actions do not necessarily lead to democratic breakdown — democracies can continue to hold elections and survive long after these developments — it at the very least undermines the quality of the democracy, or its future stability.

In the event that redistributive threats are able to win elections and capture the presidency and/or legislature, elites can also decide to engage in the active and undemocratic removal of elected officials, typically but not exclusively, through force or military coup. When a redistributive threat comes to power and begins to implement their redistributive agenda, elites are left with two options: (1) choose to endure the period of redistribution, or (2), coalesce to remove the redistributive threat from power. Given that elites are likely to be particularly driven by loss aversion, there is a non-trivial probability of the latter despite the high costs associated with eliminating democracy. Indeed, authoritarian attitudes are likely to increase among elites when faced with a credible threat (Stevens, Bishin, and Barr 2006). Removing elected officials from office typically requires a

complicit agreement between economic and political elites, where explicit or tacit support for the undemocratic ousting of the redistributive threat involves “selective benefits” (Houle 2009, 597-598). That is, economic elites that fear redistribution are likely to receive privileges from the new authoritarian regime that carries out the coup. Contrary to behavior geared towards weaponizing electoral or political institutions against redistributive threats, there is little uncertainty that the removal of elected politicians or parties through undemocratic means marks a sharp breakdown of democracy.

We should not assume, *prima facie*, that when threatened elites will engage in undemocratic behavior while redistributive threats are wholly democratic actors; the process in which democracy can unravel following the emergence of a redistributive threat is dynamic. Elites do not possess a predisposition to engage in authoritarian behavior, and often have more favorable views towards tolerance and democracy than the general population (e.g. Sullivan et al. 1993). Furthermore, redistributive threats do not always behave in an entirely democratic fashion. Given the institutional obstacles often stacked against them, redistributive threats may apply tactics that skirt the democratic “rules of the game.” In the case of Brazil, Goulart had skepticism of being able to garner the necessary legislative support for his *reformas de base*, and instead sought to implement the reforms through executive decree and expanded presidential powers (Skidmore 1988; 14-16). In other cases, redistributive threats themselves, in an effort to preemptively avoid removal or consolidate power, are the ones who eventually pull the trigger on democracy. In other words, the interplay between redistributive threats and elites is dynamic, and the final event that definitively leads to the breakdown of democracy may be one of many successive tit for tat events between competing actors. The main thrust of the argument made here is that the emergence of credible redistributive threats increase the likelihood that elites engage in undemocratic behavior, not whether elites are

the only actors in the game that contribute to the breakdown of democracy.

The theory formulated here is also ill-equipped to predict the *timing* of democratic breakdown. While elites have chosen undemocratic paths to removing redistributive threats from power, there always exists the option to simply endure periods of redistribution. The decision matrix that goes into these decisions, or the aggregate behavior of elites, is complex. Importantly, the theory advanced here is highly probabilistic; the emergence of a redistributive threat substantially increases the likelihood of democratic breakdown, but it does not predestine it. It would not be theoretically feasible to make concrete claims on how long of a period elites may be willing to endure circumstances where a redistributive threat captures power or advances their redistributive agenda. While many breakdowns have occurred when redistributive threats are most acute (i.e. credibly contending for elections or shortly following taking power), in some cases elites have chosen to observe the policy direction of redistributive threats before committing to engaging in undemocratic behavior or not.

## Testing the Theoretical Microfoundations

While it is not possible to know, with any precision, how elites perceived Goulart and the PTB in the lead-up to 1964, is it possible to test the microfoundations of the theory in contemporary Brazil? As stressed earlier, there are signs that the reemergence of a Lula-led PT is placing strains on Brazilian democracy. With a goal of directly testing how redistributive threats affect elites' perceptions of democracy I fielded a survey experiment on a sample of economic elites in Brazil.

Given that the theory emphasizes economic elites' susceptibility to fearing redistributive threats and their integral role in the dominant elite coalition, economic elites are the most appropriate population to draw from to test the microfoundations of the theory. However, drawing from this

population does incur limits to the research design. Economic elites are a particularly difficult population to access given their widespread use of gatekeepers, greater incentives to closely guard their personal information or political beliefs, as well as possess highly demanding personal schedules (Page, Bartels, and Seawright 2013). There is also a dearth of lists of wealthy individuals publicly available from which to randomly sample from. Given these constraints, I chose to draw a sample from a subset of the universe of economic elites: individuals that occupy top positions among the largest companies in Brazil. While this sample does not capture all types of economic elites in Brazil, each individual in the sample should be considered a part of the economic elite class — each are among the highest income earners in Brazil, as well as occupy positions in the business community that allow for substantial access to elected or government officials.

The sampling strategy first relied on constructing a list of approximately 3000 individuals drawn from top executives and board members of the top 700 revenue earning companies in Brazil.<sup>11</sup> The pre-registered survey and survey experiment, conducted by telephone, was fielded from April 2021 to December 2021. The response rate was 5.4 percent from a total of 1,889 formal invitations to participate sent out, yielding a sample of 103 respondents.

Given the limited size of the sample, as well as the characteristics of the population, we should relax expectations for substantial differences between the control and treatment groups. A sample size of roughly 100 not only limits the statistical power required to achieve statistically significant effects, but also renders the point estimate less precise, than a traditional  $N$  of 1000, or higher, would — we should not gauge the strength of the results here through implicit or explicit comparisons to general population samples. Furthermore, elite populations are likely to be less malleable to

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<sup>11</sup>The list included any individual that was either on the executive board (typically comprised of the chief executive officer, chief financial officer, and other major heads of departments) or board of directors. The 700 companies were drawn from *Valor Econômico*, the largest financial newspaper in Brazil. For a full explanation of the sampling design, refer to Appendix B.

framing effects than the general public (e.g. Murillo and Pinto 2021). Given the individuals' extremely high levels of education and high probability of well-established beliefs in the sample, it is unlikely that priming economic elites to think about a redistributive threat will substantially change their preexisting beliefs. For these reasons, we should be more attuned to the *presence* of an effect and consistent directionality across questions, rather than drawing any strong conclusions from treatment effect size or a lack thereof.

My hypothesis is that, when confronted with a credible redistributive threat, economic elites will be less likely to hold positive views towards democracy. To those ends, I designed a survey experiment where half of the respondents randomly received the following treatment:

“Imagine que o Partido dos Trabalhadores ganhe a presidência nas eleições gerais de 2022 e durante sua campanha se concentraria fortemente no aumento de impostos sobre os que ganham mais para promover a redistribuição e diminuir a desigualdade [Imagine that the Workers' Party wins the presidency in the 2022 general election on a campaign strongly focused on increasing taxes for the highest earners to promote redistribution and lowering inequality].”

The control group received no treatment. I then asked both the control and treatment groups an identical set of questions related to the upcoming election and their perceptions of democracy.<sup>12</sup>

First, what kind of baseline support for democracy should we expect from Brazilian elites? There is previous demographic, sociological, and comparative evidence to infer that economic elites in Brazil and elsewhere will strongly favor democracy. For one, economic elites are among the most highly educated populations in Brazil, 102 out of the 103 respondents have some formal college education; research has shown that individuals with higher levels of education are more likely to favor democracy over other alternatives (e.g. Jackman 1972). Furthermore, past research on elites in Brazil found comparatively strong democratic attitudes (e.g. Stevens, Bishin, and Barr 2006). Given these expectations, I included the commonly-used “democracy has problems, but is better

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<sup>12</sup>See Appendix B for the full set of questions and their wording.

than other forms of government” as a pre-treatment question. Across all respondents the average response was 6.65 on a scale of 1-7, indicating an extremely high baseline support for democracy.

The fact that economic elites are highly likely to report that they have strong preferences for democracy does not necessarily imply that democracy is a first-order preference, nor incongruent with the theory advanced here. I do not argue that elites are anti-democratic or authoritarian in nature. Rather, the theory advances the claim that they will be less likely to value democracy *if* a credible redistributive threat emerges and competes for power. That is, elites may be supportive of democracy in the abstract, but their preferences for evading redistribution or expropriation may trump those democratic beliefs.

Second, what do contemporary Brazilian elites think of the PT in general? Negative perceptions of the PT or ‘anti-petismo’ are commonplace among many Brazilians (Samuels and Zucco 2018). Given that the survey experiment design invokes the PT as the redistributive threat,<sup>13</sup> it is possible that more complex determinants of negative partisanship may spillover and affect the responses here. To mitigate these issues, I included a pre-treatment question that asked all survey respondents to grade the PT by likability on a scale from 1 (do not like at all) to 10 (like a lot). There was no major difference between the control and treatment groups in terms of how they perceived the PT prior to treatment. The average response of all respondents was 1.51 — indicating a strong dislike of the PT among Brazilian economic elites. For comparison, I also asked all respondents to grade two other long-standing major parties, the *Partido Movimento Democrático Brasileiro* (PMDB) and the *Partido da Social Democracia Brasileira* (PSDB), which received average responses of 3.55 and 4.88 respectively. While disapproval of the PT among elites should not be surprising, an average

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<sup>13</sup>The motivation behind including the PT was to also prime the treatment group to believe that that the redistributive threat could also credibly win the election, which would have been difficult with a fictional or minor party.

Table 2: Redistributive Threat Elite Survey Experiment

	Control	Treatment	Difference
The economy is the most important issue in the upcoming election	5.78	5.25	-0.53*
In a country like Brazil, democracy hinders economic growth and stability	1.73	2.50	0.77*
Politicians convicted of political crimes should be barred from elections	6.86	6.80	-0.06
In democracies it is sometimes necessary for the military to intervene in politics	2.28	2.60	0.32
Politicians who espouse radical views should be barred from elections	2.38	2.46	0.07
<b><i>Reliability Check</i></b>			
If in power, PT will raise taxes on the highest earners despite costs to economy	4.31	4.57	0.26

Notes: All responses scaled from 1 (Strongly Disagree) to 7 (Strongly Agree). N = 103. \*  $p \leq .05$  (one-tailed).

response of 1.51 suggests feelings beyond simple dislike towards substantial aversion or animosity towards the party.

Moreover, there does not appear to be any substantive differences between the control and treatment groups across a variety of common demographic or social confounders, see the appendix for further details.

The results of the post-treatment survey questions are provided in Table 2 — the first two columns show the average responses across the control and treatment groups while the final column shows the difference in means. The first question was designed to simply understand at a baseline level how much importance economic elites place on the economy in respect to elections. As we should expect, it is a significant priority among Brazilian elites — with average responses above 5 across both the control and treatment groups. However, interestingly those that received the treatment placed less importance on the economy as their top electoral issue. While it is not possible to infer precisely why those individuals exhibited lower values on the issue of the economy, I interpret this result as suggestive that elites do not associate the PT with the economy in the abstract.

Two questions related to perceptions of democracy exhibit noticeably different average responses

between the control and treatment groups — a question that stresses that democracy may be a hindrance to economic growth and one that asks whether it is sometimes necessary for the military to intervene in democratic politics. In both questions, the treatment group possessed, on average, less favorable views towards democracy. That is, the individuals that received the prompt priming them to think about the PT were more likely to agree with the notion that democracy may limit economic growth in Brazil and that it may be necessary for the military to intervene in democracies. The difference between average responses on the question related to democracy invoking costs to economic growth and stability is particularly large, showing a statistically significant difference of 0.77. These results lend credence to the microfoundations of the theory — even in a population with strong preferences for democracy, simply suggesting that a redistributive threat is a viable candidate to win the next election may affect their perceptions of democracy itself in a negative fashion.

Neither question related to barring certain candidates — whether previously convicted of political crimes or espousing radical views — from elections showed marked differences across the control or treatment groups.<sup>14</sup>

To test the reliability of the experiment I also included a question that asked whether the PT would raise taxes on the highest earners if they returned to power. As can be observed in Table 2, the treatment group did report higher average responses to this question, indicating that the prompt did indeed prime the treatment group to some extent. This question also conveniently had a dual purpose of understanding at a deeper level whether elites do, in fact, consider the PT a redistributive threat. Given that the respondents, regardless of whether they were part of the

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<sup>14</sup>It should be noted that there are strong laws in Brazil that do not allow politicians to run for public office if previously convicted to certain crimes, which may be why respondents were likely to strongly agree with these types of statements.

control or treatment group, did give relatively high average responses suggests that a non-trivial percentage of Brazilian economic elites do believe that the PT are indeed a redistributive threat or at the very least are likely to have designs to extract wealth from the highest earners in society.

## Testing the Broader Relationship

How generalizable is the theory developed here to the broader region of Latin America? Although a full treatment of all types of undemocratic behavior that elites and redistributive threats engage in is outside the scope of this article, how predictive are redistributive threats for triggering democratic breakdown?

Given the contentious nature of conceptualizing and measuring democracy, I draw heavily on existing literature — most prominently, Mainwaring, Brinks, and Pérez-Liñán (2001) [hereafter MBP] and Mainwaring and Pérez-Liñán (2014). MBP’s analytical approach to conceptualizing democracy is particularly useful here for at least two reasons. First, MBP’s measurement of democracy was specifically tailored to explain the region of Latin America, offering a highly contextualized measure that is congruent with the region-specific theorization and analysis offered here. Second, their measurement of democracy occupies an attractive middle-ground between dichotomous and more complex counterparts; its simple but gradient aggregation provides latitude, as well as a straightforward conversion, to the analysis of the key dependent variable of interest here: democratic breakdown.

MDP code democracies based on four main components: free and fair elections for the legislature and head of government, the franchise is comparably inclusive for the time period, the protection of civil liberties, and elected leaders possess governing capacity. If all four of these components are fully met, the country-year is coded as a democracy. If ‘partial violations’ are present in any of

the categories it is coded as a semi-democracy, while the presence of ‘major violations’ results in the case being coded as authoritarian.<sup>15</sup> I categorize each episode of democratic breakdown as any movement from democracy or semi-democracy to authoritarianism. In other words, any calendar year in which there occurs a major violation in either a democracy or semi-democracy is considered a democratic breakdown. In total, coding breakdowns in this manner yields 46 cases of democratic breakdown in Latin America since 1900.<sup>16</sup>

While democracies can break down in a variety of ways, and explaining the universe of these episodes is the central focus here, it is also true that a significant majority of democratic breakdowns in Latin America have occurred as the result of the military staging a coup. Therefore, I also employ an alternative dependent variable that more narrowly captures this phenomenon. Utilizing Lehoucq and Pérez-Liñán (2014)’s dataset on military coups in Latin America, I code an episode of a ‘democratic coup’ as any calendar year in which a successful military coup occurs under a democracy or semi-democracy.<sup>17</sup>

Drawing on the theory advanced here, redistributive threats are signified by the emergence of a party, or the capture of a traditional party by an upstart redistributivist or populist, that credibly competes for power with explicit goals of redistributing wealth or income. Although these two broad necessary conditions lay the ground-work for understanding the rise of redistributive threats, they fall short of providing clear coding, or exclusion, criteria for systematic analysis. More specifically, I code any country-year observation as 1 if one, or more, of the following events occur:<sup>18</sup>

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<sup>15</sup>A major violation is if the “head of government or the legislature is not elected, the government uses its resources to ensure democratic victory, or through fraud, manipulation, or outright repression, the government makes it impossible for a wide gamut of parties to compete” (Mainwaring, Brinks, and Pérez-Liñán 2001, 46).

<sup>16</sup>For a table of all cases of democratic breakdown, see Appendix A.

<sup>17</sup>Of note, Lehoucq and Pérez-Liñán 2014 do not differentiate military coups by regime type. Therefore, I only include those observations which occur under regimes that MBP code as either democratic or semi-democratic.

<sup>18</sup>For a full list of all parties coded as a redistributive threat, and the specific years they met that threshold,

1. Emergence of a political party aligned with the popular sectors or explicitly calls for the redistribution of wealth/income, significant expansion of social programs, or nationalization of sectors, that credibly threatens to win most proximate presidential election.<sup>19</sup>
2. Presence of a traditional party captured or led by a politician aligned with the popular sectors or explicitly calls for the redistribution of wealth/income, significant expansion of social programs, or nationalization of sectors, that credibly threatens to win most proximate presidential election.
3. Political party aligned with the popular sectors or explicitly calls for the redistribution of wealth/income, significant expansion of social programs, or nationalization of sectors, democratically controls the majority of national legislature and/or presidency.

There are a number of aspects here that merit further discussion. First, it is not necessary for redistributive threats to be organically formed political parties with ideologies deeply rooted in redistributivist principles. Traditional, or even oligarchic, parties that historically had no significant populist, working class, or redistributive ideology are capable of being captured — either through a formal primary system or any other type of internal selection process — by politicians or factions with redistributive ambitions.

In order for a party to be considered a ‘redistributive threat’ it must explicitly call for, or engage in, activities that are designed to redistribute wealth or income.<sup>20</sup> Importantly, the exclusion criteria is that these actions should be designed to induce tangible redistributive effects; the implementation of incremental social programs or marginal increases in social spending, for example, do not constitute such a redistributive threat. This excludes center-left parties that favor a limited progressive economic ideology where expropriation or redistribution is not a central focus or have no intentions to substantially alter the redistributive nature of the state.

While identifying whether a party calls for redistributive actions is relatively straight-forward, refer to Appendix A.

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<sup>19</sup>Most proximate election signifies any presidential election in the current or subsequent year.

<sup>20</sup>There are a range of actions or policies that could constitute redistribution such as land reform, the construction of new or substantial expansion of social programs, the introduction of taxes targeting the highest earners, or the nationalization of previously privatized sectors to socialize their profits.

whether it qualifies as a ‘credible threat’ may not be as clear. A credible threat is defined as a party that has the ability to win elections and/or capture political office. In other words, political opponents have to believe, to some reasonable degree, that the redistributive threat can actually win any given election. Although it may be tempting to set a specific threshold of, for example, vote shares to be deemed a credible threat, this is untenable for two main reasons: (1) vote shares markedly differ between two- and multi-party systems or electoral systems, and (2), some redistributive threats are suppressed before competing in any actual election. At the bare minimum, redistributive threats cannot be minor parties; they must receive a sizable portion of vote share in elections, or there must be evidence to suggest that elites or political opponents perceived them as a major contender for any upcoming election (e.g. polling at a reasonably high level in the lead-up to an election), or took explicit measures to suppress them (e.g. prosecuted or jailed their political leader(s)). To mitigate any potential subjectivity issues with regard to coding redistributive threats as ‘credible threats’ Appendix C also includes an alternative coding that simply captures when redistributive threats win legislative or presidential elections, finding comparable results to those shown here.

Redistributive threats may be short-lived or persist for long periods of time. Some redistributive threats emerge as contenders for one or two electoral cycles and then disappear (e.g. the Orthodox Party in Cuba), while other redistributive threats compete for power, or even capture the presidency and/or legislature, for decades (e.g. the Movement for Socialism in Bolivia). As long as a redistributive threat holds either the presidency or legislature in any given year, they continue to constitute a threat to elites and are coded as such. Redistributive threats may also moderate their redistributive ideologies over time, particularly following the capture of power. Indeed, there are many political parties with roots in communist or socialist ideology that eventually moved to a

substantially more center-left or even centrist position. Among many such examples, perhaps the clearest case of this phenomenon is the revolutionary Sandinista National Liberation Front moving from a staunchly socialist orientation to a pro-business centrist party in recent decades under President Daniel Ortega. If a party's guiding ideological principle no longer explicitly calls for the expropriation or redistribution of wealth or income, I do not code that party as a redistributive threat.

I also include additional variables that are commonly theorized to affect democratic breakdown. Perhaps democratic breakdown is simply a function of weak democratic institutions? Classic work often held that Latin American democratic institutions were notoriously weak, and that a lack of 'horizontal accountability' or 'weak democracy syndrome' in governing institutions often undermined their long-term survival (Cohen 1994; O'Donnell 1999; Haggard and Kaufman 2016, 224-230). These theories would expect democratic coups and democratic breakdowns to be more likely in those with already weak democratic institutions. To account for democratic institutional strength, I include the electoral democracy index from *Varieties of Democracy*, which is comprised of a number of measures that account for institutional development among democracies. Others have argued that the international political context is a key influence on the stability of democracy (Przeworski et al. 2000; Epstein et al. 2006), I also include the total percentage of democracies in Latin America in each country-year.<sup>21</sup>

At its core, the redistributive framework posits that elites should be especially fearful towards the relative voting power among the economically disadvantaged and their potential to soak the rich (Boix 2003; Acemoglu and Robinson 2006). In turn, countries with more expansive suffrage should be more prone to democratic breakdown because these environments provide greater latitude for

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<sup>21</sup>I calculate this figure by taking the percentage of all cases that possess either a democracy or a semi-democracy, per Mainwaring and Pérez-Liñán 2014.

the poor to harness their votes to redistribute. Therefore, I control for the relative expansiveness of the suffrage, also drawn from V-Dem data.

Dating back as far as Huntington (1968), political parties — and in particular, their relative strength and institutionalization — have been thought of as critical for political development and the stability of political regimes. More recently, Ziblatt (2017) has argued that well-organized conservative parties help anchor democratic regimes, while Weyland (2019) argues that the presence of institutionalized and mass-based political parties have reduced the likelihood of authoritarian threats against, and the breakdown of, Latin American democracies. Therefore, I account for the relative strength of political parties by including the party institutionalization index from V-Dem.

Although there is disagreement on the underlying mechanisms, modernization theory has long contended that economic development is critical to democratization and democratic consolidation (e.g. Lerner 1958; Lipset 1959; Boix and Stokes 2003) — these theories would posit that more economically developed countries would be less likely to experience democratic breakdown. In turn, I include the log of GDP per capita, relying on estimates from the Maddison Project Database.<sup>22</sup> Other work has stressed instead the importance of economic crises as a driver for the breakdown of democracy or regimes in general (Markoff and Baretta 1990; Gasiorowski 1995); I therefore also include the annual growth rate of GDP per capita. I also control for the relative size of countries by including the log of population.

Considering both dependent variables are dichotomous, I employ generalized linear models with a logistic link function. Importantly, both due to the theory advanced here and the structure of the independent variable, the most appropriate modeling choice here is static or discrete time models rather than dynamic counterparts. The theory stresses elites will make the decision to, or not

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<sup>22</sup>See: Bolt and van Zanden 2020.

to, engage in undemocratic behavior simultaneously with the emergence of a redistributive threat. Therefore, I am most concerned with explaining episodes of democratic breakdown at a certain juncture of time, not the length of time democratic regimes survive under a certain set of conditions — the latter of which would more appropriately employ survival models. As previously stressed, redistributive threats remain coded as such any year in which they remain in power, and therefore it is not necessary — and empirically questionable — to include any dynamic component to the model through the inclusion of lagged variables. The models here are measuring the probability that any given episode of democratic breakdown also coincides with the presence of a redistributive threat, not whether the emergence of a redistributive threat spurs a democratic breakdown at some arbitrary or expected point of time in the future.

To account for within-unit heterogeneity — i.e. varying histories of democracy within cases — I also include unit (country) fixed effects. Importantly, the percentage of Latin American democratic variable largely functions as including year fixed effects due to its lack of within-year variation. Appendix C reports consistent results across models with pooled or two-way fixed effects, as well as those including country-specific time trends. To account for potential within-unit correlation, the models also employ standard errors clustered by country.

Table 3 reports the results. I find a robust, positive, and statistically significant relationships between redistributive threats, democratic breakdowns, as well as democratic coups. Both breakdowns and coups are significantly more likely to occur in the presence of a redistributive threat. The inverse is also true; countries are significantly less likely to experience a democratic breakdown or coup when there is an absence of a redistributive threat in their political system. These relationships are robust in both the bivariate analyses (Models 1 and 4) and full models (Models 2 and 5). A more straight-forward way of interpreting these results is that roughly 60 percent of democratic

Table 3: Determinants of Democratic Breakdowns and Coups in Latin America, 1900-2020

	Democratic Breakdown			Democratic Coup	
	(1)	(2)	(3)	(4)	(5)
Redistributive Threat	1.662*	2.147*	1.880*	1.346*	1.839*
	(0.370)	(0.540)	(0.538)	(0.420)	(0.573)
Strength of Democracy		-8.191*	-7.958*		-5.557*
		(2.632)	(2.802)		(1.610)
Suffrage		4.253*	4.435*		3.576*
		(1.266)	(1.498)		(1.777)
% of Latin America Democratic		-0.901	-0.908		-2.126
		(0.931)	(1.132)		(1.416)
Strength of Parties		-0.444	-0.276		-3.182*
		(1.241)	(1.588)		(1.674)
GDP per capita (log)		0.071	-0.239		0.781
		(1.993)	(2.422)		(1.802)
Economic Growth		-0.059*	-0.062*		-0.045
		(0.029)	(0.034)		(0.032)
Population (log)		-1.834	-2.278		-0.896
		(2.624)	(3.317)		(3.289)
Observations	2,296	1,822	1,817	2,296	1,822
Country Fixed Effects	Yes	Yes	Yes	Yes	Yes
Akaike Inf. Crit.	437.179	316.038	293.916	389.910	301.805

*Notes:* Country dummies not included. Clustered standard errors in parentheses. \*  $p \leq .05$ .

breakdowns and coups in Latin America since 1900 have coincided with the emergence of a redistributive threat. Conversely, of all the years in which neither a breakdown or coup took place a redistributive threat was present in only approximately 20 percent of those years. In other words, the emergence of a redistributive threat is more commonplace than a coup or democratic breakdown. However, if a democracy does break down, it is more often than not associated with the rise of a redistributive threat.

Given that redistributive threats can also be the main actor that actively engages in behavior that leads to democratic breakdown, Model 3 excludes all redistributive threat-led breakdowns from the analysis.<sup>23</sup> There are no substantive differences in the results across Models 2 and 3.

<sup>23</sup>I define ‘redistribute threat-led breakdowns’ as those in which a redistributive threat engages in behavior

The only other variables with consistent and statistically significant relationships across all models are strength of democracy and suffrage. Countries with weaker democratic institutions, and more expansive suffrage, are indeed more likely to experience democratic breakdowns or coups. Economic development has an inconsistent relationship with democratic breakdown and coups. While the finding that GDP per capita is contrary to some recent literature (e.g. Mainwaring and Pérez-Liñán 2014; Haggard and Kaufman 2016), Latin America’s relationship between economic development, democracy, and democratic breakdown has always been relatively unusual (O’Donnell 1973; Lehoucq and Pérez-Liñán 2014, 1123-1124). I also suspect that, considering the analyses here include substantially more observations in the early part of the twentieth century than others, past work may not be capturing periods of democracy and economic development that exhibit distinct dynamics than those following the interwar period.<sup>24</sup>

## Conclusion

I have argued that redistributivist theories of democratic breakdown can significantly benefit, both theoretically and empirically, by turning their attention to how credible redistributive threats affect the relationship between inequality and the breakdown of democracy. These credible threats are most likely to come in the form of political parties espousing redistributive or populist agendas, and their emergence can spark undemocratic behavior from elites that either undermines democracy, or effectively leads to its breakdown. I find evidence on both the micro- and macro-levels

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that results in a major violation of democracy (e.g. dissolving the legislature), as per Mainwaring and Pérez-Liñán, or coalesces with the military to stage a coup. There are five episodes of democratic breakdown that meet this criteria: Argentina under Juan Perón in 1951, Chile under Jorge Alessandri in 1924, Uruguay under Gabriel Terra in 1933, and Venezuela under Hugo Chávez in 2009.

<sup>24</sup>It is not uncommon to find differing results between economic development and democracy when incorporating different time periods into the models (e.g. Boix and Stokes 2003). To add to this, GDP per capita does become statistically significant in some robustness checks covering more constrained time periods and smaller numbers of observations. See Appendix C for further details.

that redistributive threats not only shape elites' perceptions of democracy, but their rise are also associated with democratic breakdowns and coups throughout much of Latin American history.

If redistributive threats commonly constitute a danger for democracy in Latin America, do they produce similar inimical effects in other parts of the world? At first glance, we should expect similar patterns to be present in other regions; one can draw on any number of acute examples from the history of democracy, such as the ousting of Pridi Banomyong in the 1933 Siamese coup, the emergence of the Italian Socialist Party and subsequent rise of fascism in Italy, and the 1983 Nigerian coup that deposed President Shehu Shagari and the Nigerian National Party. However, there are limits to the generalizability of the theory advanced here. The theory is particularly adept at explaining dynamics in highly unequal democracies; large economic disparities between the popular classes and the rich breed the impetus for strong redistributive demands, as well as more extremist politics (Dahl 1972; Boix 2003). In more egalitarian contexts, elites' fears of redistribution, and hence the incentive to partake in risky behaviors to protect themselves, are significantly lower. In turn, democracies with less inequality — particularly those with relatively equal distributions of land — may naturally subdue the rise of redistributive threats, as well as reduce elites' incentives to quell them, explaining why comparatively egalitarian democracies are generally more stable over time (e.g. Houle 2009).

It may be tempting to come to the conclusion that redistributive threats and their deleterious effects on democracy may be largely part and parcel of bygone eras such as the Cold War. However, as the elite survey data and the case of Brazil suggests, the underlying dynamics behind redistribution and democratic norms are just as relevant to the present-day than any other time period. Despite moderation since its formative years, elites continue to perceive the PT as a redistributive threat and a formidable party where the democratic playing field may need to be

altered to defeat. Brazil is far from the only country where similar dynamics are occurring. In a world where inequality is increasing across both the developed and developing world, and a wide variety of outsider redistributivist and populist parties are emerging, we should expect the tenuous relationship between redistributive threats and democratic breakdown to rear its head many times into the near and distant future.

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