Power Sharing with Weak Institutions:
A Comment on Powell (2021)

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Abstract

Existing research explains how institutional constraints facilitate credible commitments and induce cooperation among political actors. In "Power Sharing with Weak Institutions," Powell (2021) analyzes a crucial missing link: the strength of institutions. I compare Powell's model to existing models of regime transitions to highlight three new insights. First, authoritarian elites do not seek to concentrate as much power in their hands as possible unless institutional change is costly. Otherwise, elites are indifferent about the exact mix of institutional concessions and temporary transfers. Second, the option in Powell's model for elites to exert costly effort to reverse institutional concessions creates a strict preference to minimize institutional reform. Yet this moral hazard problem also potentially makes weak institutions impossible to reform. Third, Powell's model raises a paradox for explaining negotiated democratic transitions. Conceding full-blown democratization is either unnecessary or insufficient to gain the acquiescence of the opposition.

1   INTRODUCTION

Cooperation among political actors requires that rulers submit to institutional constraints to make their commitments credible. This is a central idea in theories of conflict, democratization, and authoritarian institutions. Consequently, authoritarian rulers who face coercive threats often attempt to pacify the opposition by promising institutional reform and perhaps full-blown democratization. In "Power Sharing with Weak Institutions," Powell (2021) analyzes a crucial missing link in existing studies: the strength of institutions. Weak institutions create a Catch-22. Although the ruling elite can promise institutional reform, they confront a moral hazard problem. Elites can exert effort to renege before a deal locks in, and such effort is more likely to succeed when institutions are weak. Consequently, weak institutions exacerbate the underlying commitment problem that institutions are purportedly able to resolve, which may make it impossible to buy off the opposition even after reforming institutions.

In this comment, I discuss Powell's model in the context of existing models of regime transitions to highlight three insights. First, a largely unquestioned finding in existing formal and non-formal theories is that authoritarian elites seek to concentrate as much power in their hands as possible. Consequently, they should strictly prefer to offer more temporary transfers to the opposition instead of more permanent institutional concessions. However, using a simplified version of Powell's model, I instead demonstrate that elites are in fact indifferent about the exact mix of institutional concessions and temporary transfers *unless institutional change is costly*. This highlights the need to scrutinize the specific assumption(s) in any model that do indeed make institutional change costly.

Second, a key innovation is that Powell assumes authoritarian elites can exert costly effort to reverse any institutional concessions that they propose to the opposition. In equilibrium, elites always exert some effort at subversion. By making institutional change costly for elites, this moral hazard problem creates a strict preference to minimize the amount of institutional reform. The moral hazard problem also creates a Catch-22 of weak institutions. Powell conceptualizes weak institutions

as a low marginal cost of effort to reverse institutional reforms. A lower marginal cost requires elites to propose more institutional concessions to buy off the opposition. When institutions are sufficiently weak, this problem becomes intractable—which makes weak institutions impossible to reform. This new insight justifies the extensive technical apparatus that Powell introduces to model endogenous effort to unravel a deal. Another intriguing result is that smaller threats can substitute for weak institutions. With a multi-valued distribution of threats, prospects for peaceful power sharing are path dependent—the order in which specific threats arise determines whether conflict occurs along the equilibrium path.

Third, Powell's model raises a paradox for explaining negotiated democratic transitions. If institutions are sufficiently strong, then handing over power to the opposition is *unnecessary*; the ruling elite can share enough power within the incumbent regime to secure acquiescence. By contrast, authoritarian regimes with weak institutions are unable to secure acquiescence through partial power-sharing. But because of the Catch-22 of weak institutions, the regime is also unable to credibly commit to larger institutional concessions, such as allowing free and fair elections. Consequently full democratization is *insufficient* to buy off the opposition from revolting. I discuss approaches that future research can take to better understand the mechanisms underpinning negotiated transitions to democracy.

2 SUMMARY OF MODELS

Acemoglu and Robinson's (2006) models of regime transitions provide the main intellectual predecessor to Powell (2021). They presume that economic elites dominate authoritarian regimes and, in most periods, set their preferred low-tax policies. Yet the masses can occasionally mobilize a revolutionary threat, which forces elites to make concessions. If possible, elites will buy them off by temporarily redistributing more wealth. However, when economic inequality is very high and the masses are rarely able to mobilize a revolutionary threat, the commitment problem is severe. Temporary transfers are insufficient to pacify the masses, which prompts elites to respond to rev-

olutionary threats by implementing mass franchise expansion.[1] Under a democratic regime, the masses' numerical preponderance enables their preferred candidates to win democratic elections. Therefore, in effect, institutional reform hands full control of the state over to the masses, which they use to implement their preferred policies of high redistribution.

Castañeda Dower et al. (2018, 2020) expand this framework by allowing the elites to make a continuous choice over institutional reform, as opposed to the dichotomous choice between no reform or full franchise expansion in Acemoglu and Robinson (2006). Thus, rather than democratization per se, Castañeda Dower et al. analyze partial institutional reform within an authoritarian regime. As in Acemoglu and Robinson, if temporary transfers are insufficient to buy off the masses in a period they are mobilized, then the elites make permanent institutional concessions. But because the choice space of institutional reforms is continuous, elites do not have to give away full control of the state in order to pacify the masses. Instead, they can offer partial institutional reforms in which the masses are able to set the amount of redistribution in a pre-specified fraction of future periods. In equilibrium, elites offer the minimum amount of institutional concessions necessary to buy off the masses in the current and in all future periods.

Some elements of Powell's (2021) model are identical to these models: elites face periodic threats of revolution from the masses (whom Powell calls the "opposition") in an infinite-horizon stochastic model, and the offer space for elites includes temporary transfers and permanent institutional reform. Powell departs in three main ways. First, the menu of possible institutional reforms is continuous in Powell, as in Castañeda Dower et al. (2018, 2020). Second, promises of institutional concessions are not guaranteed to bind. Elites face a moral hazard problem to implementing institutional reform because, after promising to raise the basement level of spoils for the opposition to a particular level, they can take costly actions to undermine the reform before it sticks.[2]

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[1]In the book, Acemoglu and Robinson consider an additional option to repress the masses, but I ignore that option here because it does not pertain to Powell's analysis.

[2]Institutional reforms implemented in previous periods can never be reversed. However, within a specific period, after the opposition accepts a proposal, the last strategic move of the stage game

By contrast, a proposed transfer of power occurs for sure in Acemoglu and Robinson (2006) and in Castañeda Dower et al. (2018, 2020), which represents the ideal-type "strong" institutions in Powell's model.[3] Third, Powell simplifies the consumption structure relative to existing models by assuming that the elite and opposition divide a flow of spoils normalized to size 1. Thus, he does not analyze the effects of income inequality or other aspects of the richer political economy setup in prior models.

3   COSTLY INSTITUTIONAL CHANGE

The following feature of dynamic models of institutional reform and conflict is not well known. Absent costs to implementing permanent institutional reforms, elites are indifferent about the exact mix of temporary transfers and permanent institutional concessions (conditional on offering sufficient permanent concessions to prevent revolt). This contrasts with the widespread premise that authoritarian elites seek to concentrate as much power in their hands as possible. The formal rationale is an intertemporal substitution effect: more transfers today make the masses more tolerant of consuming less in the future, which enables the ruling elite to offer fewer permanent institutional concessions. If the space of temporary transfers and institutional concessions is continuous, and there are no costs to implementing institutional reforms, then these two effects perfectly off-

is for elites to exert costly effort to unwind any promises of institutional reform. If this effort succeeds, then the basement level of spoils for the opposition are the same as they inherited in the previous period.

[3]In extensions and other models, these authors consider various ways in which power-sharing deals can unravel. Later in the book, Acemoglu and Robinson (2006) extend their core model to allow the possibility that elites can stage a coup to retake control of the regime. In Acemoglu and Robinson (2008), after a transition in power, elites can invest effort to "capture" democratic institutions—hence undermining the credibility of elites' commitments to enact high redistribution for the masses. Finkel and Gehlbach (2020) explain how local elites tasked with implementing institutional reform in weak states can undermine the effectiveness of the reforms.

set.

I derive this result formally using a simplified version of the model in Powell (2021).[4] I take out the endogenous effort choice to reverse institutional concessions because that element is unnecessary to derive the result. I then discuss the precise assumptions in Acemoglu and Robinson (2006) and in Castañeda Dower et al. (2018, 2020) that make institutional concessions costly. This intuition helps to frame some of the main contributions of Powell's (2021) model, which I discuss in the next section.

3.1 SETUP

Consider a simplified version of the aforementioned models with periods denoted by $t = 0, 1, 2 \ldots$ and future consumption discounted by a factor $\beta \in (0, 1)$. In every period $t \geq 1$ and in which a revolt has not previously occurred, the first move in the stage game is a Nature draw that determines whether the opposition poses a revolutionary threat (probability r) or not, which is common knowledge. The elite actor who controls the government proposes a transfer $y_t \in [\phi, 1]$ to the opposition. The upper bound captures that total per-period spoils are normalized to size 1 and that the elite cannot offer more than the entire budget in that period, and the lower bound ϕ is the level of permanent institutional concessions (or, equivalently, the basement level of spoils that institutions guarantee for the opposition).

If the opposition does not pose a revolt threat in period t, then the elite and opposition respectively consume $1 - y_t - \alpha_t c(\phi)$ and y_t in that period. The direct cost of institutional concessions for elites contains both a constant component $c(\phi)$ and a time-varying component $\alpha_t \sim F$, both of which I discuss later. The game then moves to the next period, with the future continuation value for the elite denoted as $V_E(\phi)$ and that for the opposition as $V_O(\phi)$.

If the opposition poses a revolutionary threat in period t, then the opposition decides between accepting the transfer proposal y_t and revolting. Acceptance yields the same instantaneous consump-

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[4]See also the extension with endogenous institutional reform in Little and Paine (2022).

tion amounts and future continuation values just described. By contrast, revolt is a game-ending move. The opposition succeeds with probability 1 but total per-period spoils are permanently reduced by an amount $\delta \in (0, 1)$.

The elite's choice over institutional reforms occurs only in period 0. Specifically, at $t = 0$, the first move in the stage game is for elites to choose a level of permanent institutional reforms, $\phi \in [0, 1]$. That is, elites can choose to permanently transfer any amount between none and all of the state assets for the opposition to permanently control. This choice forms the lower bound for the transfer offer in every future period, described above. Then bargaining occurs as described above. To elide minor technical issues, I assume the opposition poses a revolt threat with probability 1 in period 0 (that is, when elites make their choice over institutional reforms, they know they face a revolutionary threat in that period).[5]

3.2 OPPOSITION'S ACCEPT/FIGHT DECISION

I first characterize the set of proposals (y_0, ϕ) that the opposition will accept at $t = 0$ as well as the set of proposals $\{y_t\}\big|_{t \geq 1}$ that the opposition will accept in all future periods, fixing ϕ at the level set in period 0.

Suppose the opposition accepts (y_0, ϕ) at $t = 0$. Then the opposition's lifetime expected consumption along the equilibrium path is $y_0 + \beta V_O(\phi)$. The opposition poses a revolt threat in period

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[5]If we relax this assumption, the results are identical if we also alter the choice over institutional reforms such that elites can change the level of ϕ_t only once (but do not necessarily have to do so in period 0). In equilibrium, elites will set $\phi_t = 0$ in all periods until the first period in which the masses pose a threat of revolt, at which time the elites will set ϕ_t to the level derived below. The results also generalize in a straightforward way if we instead allow elites to set ϕ_t in every period (even after having changed it in a prior period). The gain from the present simplification is that we do not need to carry around a dynamic state variable that indicates the existing level of institutional reforms, which Powell denotes as f_t.

0, which means its reservation value to fighting is $\frac{1-\delta}{1-\beta}$. The elites will optimally set (y_0, ϕ) to make the opposition indifferent between accepting and fighting. Consequently, any equilibrium features

$$y_0 + \beta V_O(\phi) = \frac{1 - \delta}{1 - \beta}. \tag{1}$$

We can solve for the continuation value as follows. With the basement level of spoils for the opposition set permanently to ϕ, in all future periods, the opposition will consume exactly that amount in periods that it does not pose a revolutionary threat. But in periods the opposition poses a threat of revolt, they receive an additional transfer, which I denote as $y_r^*(\phi)$. Thus, the continuation value satisfies

$$V_O(\phi) = \frac{\phi + r y_r^*(\phi)}{1 - \beta}. \tag{2}$$

To pin down $y_r^*(\phi)$, we need to set this transfer to make the opposition indifferent between accepting and fighting in any period it poses a revolt threat

$$\phi + y_r^*(\phi) + \beta V_O(\phi) = \frac{1 - \delta}{1 - \beta}. \tag{3}$$

Combining Equations 2 and 3 yields

$$y_r^*(\phi) = \frac{1 - \delta - \phi}{1 - \beta(1 - r)} \qquad V_O(\phi) = \frac{\phi + r\frac{1 - \delta - \phi}{1 - \beta(1 - r)}}{1 - \beta}. \tag{4}$$

The additional transfer in every revolt-threat period, $y_r(\phi)$, is bounded between 0 and $1 - \phi$. To prevent revolts from occurring along the equilibrium path, the level of permanent institutional concessions ϕ must be large enough that it is feasible for elites to "top up" their offer with an additional transfer that induces acceptance from the opposition. However, to yield an interior solution, ϕ cannot be so large that the opposition will accept a proposal in a revolt-threat period even without gaining an additional top-up transfer. Formally, it is straightforward to establish that $y_r^*(\phi) \in [0, 1 - \phi]$ requires $\phi \in [\underline{\phi}, \overline{\phi}]$, for $\underline{\phi} \equiv 1 - \frac{\delta}{\beta(1-r)}$ and $\overline{\phi} \equiv 1 - \delta$. Note that for the lower

bound to be strictly positive, we need $r < 1 - \frac{\delta}{\beta}$. In this case, elites face a commitment problem.[6] They cannot buy off the opposition in revolt-threat periods without making some institutional concessions, that is, they must set $\phi > 0$. I assume this inequality for r holds, as does Powell in his Assumption 1.

We can use Equation 4 to rewrite Equation 1 in terms of parameters. Then, holding fixed ϕ (while assuming it satisfies the bounds specified above), we can solve for the optimal temporary transfer in period 0

$$y_0^*(\phi) = \frac{1 - \delta}{1 - \beta} - \beta \frac{\phi + r \frac{1 - \delta - \phi}{1 - \beta(1 - r)}}{1 - \beta}. \tag{5}$$

3.3 INSTITUTIONAL REFORM DECISION FOR ELITES

The preceding analysis established a set of temporary transfers and permanent institutional concessions (ϕ, y_0, y_r) that induces acceptance from the opposition along the equilibrium path of play. What exact mixture of each do elites choose? From the perspective of period 0, their lifetime expected consumption along a peaceful path is $1 - y_0 - \alpha_t c(\phi) + \beta V_E(\phi)$. Their future continuation value is essentially the inverse of that described above for the opposition. Elites consume $1 - \phi$ in periods that the opposition does not pose a revolutionary threat and they lose an additional amount y_r^* in periods they do, although elites also pay a cost of institutional concessions, $\alpha_t c(\phi)$. Incorporating the value of $y_r^*(\phi)$ solved for earlier, we have

$$V_E(\phi) = \frac{1 - \left(\phi + r \frac{1 - \delta - \phi}{1 - \beta(1 - r)}\right) - c(\phi) \int \alpha dF}{1 - \beta}. \tag{6}$$

With this, if elites make an offer at $t = 0$ that satisfies $(y_0, \phi) = \left(y_0^*(\phi), \phi\right)$, for $y_0^*(\phi)$ defined in

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[6]The intuition for this condition is that if the opposition rarely poses a threat of revolt, captured by low r, then they exhibit greater demand for institutional concessions. Low r means that the opposition frequently endures periods in which the basement level of spoils is their sole source of consumption.

Equation 5, then their lifetime expected consumption is

$$1 - \left(\frac{1-\delta}{1-\beta} - \beta \frac{\overbrace{\phi + r\frac{1-\delta-\phi}{1-\beta(1-r)}}^{\text{Indirect benefit} \implies \downarrow y_0^*(\phi)}}{1-\beta}\right) - \overbrace{c(\phi)\left(\alpha_0 + \frac{\beta}{1-\beta}\int \alpha dF\right)}^{\text{Direct costs}} + \beta \frac{1 - \overbrace{\left(\phi + r\frac{1-\delta-\phi}{1-\beta(1-r)}\right)}^{\text{Indirect cost} \implies \downarrow V_E(\phi)}}{1-\beta}.$$

(7)

This equation reveals the three elements of elites' cost-benefit calculus to institutional reform. First, sharing more power creates an indirect cost by raising the basement level of spoils that elites give away in all future periods. Second, this effect also yields an indirect benefit; because the opposition's future reservation value is higher, they require fewer transfers in period 0 to forgo their revolt option. Third, elites pay the direct costs of institutional reform.

This analysis provides the ingredients needed to formalize the result previewed earlier. The indirect cost and benefit shown in Equation 7 *perfectly offset each other*. Therefore, we can simplify this expression to

$$\frac{\delta}{1-\beta} - c(\phi)\left(\alpha_0 + \frac{\beta}{1-\beta}\int \alpha dF\right).$$

(8)

Through the indirect channels, the level of institutional concessions exhibits pure intertemporal substitution without affecting total surplus. Consequently, the choice of permanent institutional concessions affects the elites' utility function only through the direct costs, which I summarize in Lemma 1.

Lemma 1 (Direct costs and institutional reform)**.**

- *Suppose $c(\phi) = 0$. Then at $t = 0$, elites are indifferent among any proposal $(y_0, \phi) = (y_0^*(\phi), \phi)$ such that $\phi \in \left[\underline{\phi}, \overline{\phi}\right]$.*
- *Suppose $c(\cdot)$ satisfies $c > 0$ and $c' > 0$ and that α_t is non-negative and strictly positive for at least one value within its support. Then at $t = 0$, elites propose $(y_0, \phi) = (y_0^*(\underline{\phi}), \underline{\phi})$.*

Lemma 1 highlights the crucial role that the direct cost plays in determining the equilibrium choice of institutional concessions. Only if institutional reform is costly do elites have a strict preference

to minimize institutional reform at the expense of paying more up-front transfers. In existing models, elites do in fact exhibit this preference, but what are the precise assumptions that make institutional reform costly for elites?

Both Acemoglu and Robinson (2006) and Castañeda Dower et al. (2018, 2020) incorporate a more involved political economy setup than considered here. Rather than pure transfers from a budget normalized to 1, they assume that each actor has a wealth endowment and that the policy choice is over per-capita taxation, which is redistributed as a lump sum to all members of society. Higher tax rates create greater deadweight loss. Therefore, by virtue of setting a higher tax rate, total surplus is lower when the opposition sets policy, which is costly for elites. Thus, the rough analog of the present model to these ones is to set $c(\phi)$ equal to the amount of deadweight loss in a period that the opposition sets policy; in Acemoglu and Robinson (2006), to set $\alpha_t = 1$ if the elites democratize; and in Castañeda Dower et al. (2018, 2020), to set $\alpha_t = 1$ in every period that the opposition sets policy and $\alpha_t = 0$ in every period that the elite sets policy.

A separate assumption in Acemoglu and Robinson (2006) creates an additional disincentive against institutional reform vis-à-vis temporary transfers. Reforming institutions necessarily means making a *large* concession to the opposition because the only way to reform institutions is to hand over policy-making power to the opposition in all periods. This disables elites from holding the opposition down to its reservation value. Instead, democratization concedes strictly more than the opposition's reservation value to fighting which, in essence, imposes a direct cost on elites to reforming institutions.[7]

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[7]This element of Acemoglu and Robinson's model also explains why, for some parameter values, the equilibrium choice of democratization entails a mixed strategy. See Acemoglu and Robinson (2017).

4 MORAL HAZARD PROBLEM OF INSTITUTIONAL CONCESSIONS

Powell ([2021](#)) provides a new way to model direct costs from institutional reform. He assumes authoritarian elites can exert costly effort to reverse any institutional concessions that they propose to the opposition. In equilibrium, elites always exert some effort at subversion, which makes institutional concessions costly for elites. Using the notation from above, $\alpha_t = 1$ in every period that elites choose a positive level of institutional reform $\phi_t > 0$, $\alpha_t = 0$ in all periods with $\phi_t = 0$, and $c(\phi_t)$ equals the costliness of the effort exerted at subversion (which is itself determined by the choice of ϕ_t).[8] Consequently, this moral hazard problem creates a strict preference for elites to minimize the amount of institutional reform (see Powell's Equation 7 and the subsequent discussion in his article). Although this finding recapitulates the general intuition that elites seek to concentrate as much power in their hands as possible, the microfoundations are starkly different. In Powell's model, the space of institutional reform choices is continuous and transfers never involve deadweight loss. Therefore, another element is needed make institutional reform costly—hence the important role of endogenous effort to renege.

This moral hazard problem for elites also creates a Catch-22 of weak institutions. Powell conceptualizes weak institutions as a low marginal cost of effort to reverse institutional reforms. A lower marginal cost requires elites to propose more institutional concessions to buy off the opposition. When institutions are sufficiently weak, elites must promise $\phi > 1$, and hence weak institutions are impossible to reform (see Powell's Proposition 2). This contrasts with the findings in Acemoglu and Robinson ([2006](#)) and Castañeda Dower et al. ([2018](#), [2020](#)) that elites can always propose sufficient institutional reforms to buy off the opposition. Moreover, in the broader authoritarian politics literature, it is generally assumed that institutional concessions and various forms of power sharing are sufficient to pacify the opposition by making the ruler's commitments credible. Powell explains

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[8]Recall that Powell allows elites to choose ϕ_t in every period, hence the time script on this variable.

why this is not always the case by highlighting a deeper impediment to institutional reform.

These new insights explain the need for the extensive technical apparatus that Powell introduces to model endogenous effort to unravel a deal. Without this element of the model, elites would not strictly prefer to minimize institutional reforms. Furthermore, we would lack an understanding for why, in the context of weak institutions, elites are sometimes unable to buy off the opposition with proposals of institutional reform. Yet with regard to the modeling enterprise, the tradeoff is that many natural extensions of this model would appear to be mathematically intractable.

If institutions are weak, is peaceful bargaining ever possible? Powell presents an extension with a multi-valued distribution of threats to highlight how smaller threats can substitute for weak institutions; prospects for cooperation depend on the order in which specific threats arise. Specifically, he allows threats to take on not only the low and high values in the baseline model, but also an intermediate value. Intuitively, the ruler can buy off the opposition with less institutional reform in intermediate-threat periods than in high-threat periods. If institutions are weak and the ruler has not previously made any power-sharing concessions, then the ruler might be able to offer sufficient concessions in an intermediate-threat but not a high-threat period. Consequently, the more intermediate threats the ruler confronts before facing a high threat, the more power she will have shared already—which reduces the amount of additional power sharing needed to secure acquiescence in a high-threat period. The new result here is that facing a series of intermediate threats can substitute for weak institutions to facilitate peaceful power sharing. Yet the equilibrium path is inherently probabilistic; two ex ante identical regimes can experience divergent outcomes depending on the order in which threats arise. Thus prospects for peaceful power sharing are path dependent, and weak institutions do not necessarily preclude peaceful institutional reform.

5 WHY DEMOCRATIZE?

Powell's (2021) model raises a paradox for explaining negotiated democratic transitions. If institutions are sufficiently strong, then handing over power to the opposition is *unnecessary*; the

ruling elite can share enough power within the incumbent regime to secure acquiescence.[9] By contrast, authoritarian regimes with weak institutions are unable to secure acquiescence through partial power-sharing. But because of the Catch-22 of weak institutions, the regime is also unable to credibly commit to larger institutional concessions, such as allowing free and fair elections. Consequently, full democratization is *insufficient* to buy off the opposition from revolting. Overall, excepting knife-edge conditions, full democratization is either unnecessary or insufficient to secure cooperation from the opposition in Powell's model. More broadly, most current models (formal and nonformal) do not clearly distinguish between sharing power within an incumbent authoritarian regime (i.e., not handing over power) and full-blown democratization, in which control of the state can change hands.

Powell's model raises more questions than it answers with regard to why and how negotiated democratic transitions occur. But his new insights highlight the types of questions that need to be answered. Powell models institutions in a general sense, but in reality, leaders can take different actions toward institutional reform that vary in their credibility of implementation. In his article, Powell discusses the example of Sudan's negotiated transition that began in 2019. Following months of protests, the military deposed the long-standing ruler Omar al-Bashir and the newly formed Transitional Military Council promised to hold elections at the end of a 39-month transition period. Yet the military officers, who had participated in governing the country alongside al-Bashir since 1989, remained in positions of power. Powell interprets this as a case of weak institutions in which the opposition, despite accepting the plan for the negotiated transition, realized that there was a fairly high chance that the military junta would renege. Indeed, the transition was

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[9]Specifically, the continuous choice over institutional reform enables elites to secure acquiescence without delegating full control over state assets to the opposition, which is how Acemoglu and Robinson (2006) conceptualize democratization. Proposition 2 in Powell's article establishes this result, although it is easier to highlight in the simpler model presented above. The upper bound on the set of equilibrium institutional reform amounts is $\overline{\phi} = 1 - \delta$, which is strictly less than 1. This partial-sharing result resembles that in Castañeda Dower et al. (2018, 2020).

interrupted in October 2021 when a different faction of the military temporarily seized power in a coup, although the former transition government was restored a month later.

Institutions are undoubtedly weak in Sudan, a country with a history of frequent coups and civil wars. However, even in this environment of weak institutions, the military could have taken alternative actions to bolster the credibility of its promises. It could have moved immediately to bring opposition leaders into the government and/or to promise elections within a shorter time frame. Moreover, actions by leaders affect the credibility of commitments to elections being free and fair. In general, commitment to democratic elections is difficult given the various ways in which incumbents can gain unfair advantages for themselves, such as gerrymandering, repressing the opposition, and denying access to campaign finance (Levitsky and Way 2010). One way to make the promise of rotation in office credible is for the ruling faction to not participate in the first election. And if they do compete, promises to hold the election on a specific day, delegating vote counting to an independent agency, and allowing ample opportunities for the opposition to monitor polling places can create coordination devices that the opposition can use to mobilize if elites heavily rig the election or attempt to cancel it outright (Fearon 2011). Such actions can bolster the credibility of the concessions even in an environment of weak institutions.

6   CONCLUSION

Powell (2021) provides a new way to understand why institutional reform is costly for elites and may fail to pacify the opposition. Weak institutions create a moral hazard problem that can undermine the possibility of adequate reform. In personal correspondences, Bob often conveyed his belief that, in most real-world interactions, political actors have a hard time making commitments to each other. This is what he aimed to capture by modeling endogenous effort to reverse concessions. I conclude by discussing two stark assumptions in his model that could be relaxed in future work.

One stark assumption in the model is that once a power-sharing deal goes through in one period,

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elites can never unwind it in the future. Elites always have the option to raise, but never to lower, the basement level of spoils for the opposition. Bob was well aware of this limitation of his model, although he ultimately saw it as a question for future work.

Another stark assumption in Powell's model is that institutional reform, or power sharing, has no effect on the distribution of power. Regardless of the amount of power shared, the opposition wins a fight with probability 1 in a fraction r of periods and probability 0 in the remaining periods. Others model institutional reform in a less nuanced way but explicitly incorporate how sharing power affects the opposition's probability of winning. In models such as Francois et al. (2015), Meng (2019), and Paine (2021), the opposition is more likely to succeed in an attempt to overthrow the incumbent when the ruler shares power than when the opposition is excluded from cabinet positions. Paine (2022) incorporates this element as well as assumes that sharing power affects the frequency with which the opposition can mobilize against the government.

Meng et al. (2023) put some of these ideas together by distinguishing between two generic mechanisms for enforcing power-sharing deals: institutional and coercive. The first corresponds with the conceptualization in Powell (2021), whereas the second corresponds with the conceptualization in the aforementioned articles. Meng et al. (2023) explain how, in the context of weak institutions, rulers have no choice but to share power in ways that shifts the distribution of power toward the opposition, which provides an enforcement mechanism for the deal. Yet coercive enforcement can also undermine deals for a different reason than analyzed in Powell (2021). The *opposition* can leverage its favorable position to take offensive actions against the regime, as opposed to using coercive means solely to defend its control over spoils. Extending this idea provides yet another important avenue for future research.

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