The Functions of Constitutional Monarchy:

Why Kings and Queens Survive in a World of Republics

Tom Ginsburg

Dan Rodriguez

Barry Weingast[*]

Abstract: Constitutional monarchies are commonly seen as anachronisms, vestiges that are doomed to disappear. Yet one in five countries today is a constitutional monarchy. This paper provides a definition and typology of constitutional monarchy, and explains why constitutional monarchy may be stable in a world in which most countries are republics. Constitutional monarchy, it argues, is a stakes-reducing device, helping to make democratic politics possible in some environments through integrating the polity and providing what we call "crisis insurance."

A.   Introduction

In a recent play written before the recent death of Queen Elizabeth, King Charles III has been newly installed on the throne of the Kingdom of Great Britain and Northern Ireland.[1] The Prime Minister presents Charles with a bill restricting the freedom of the press. It has long been a convention that the king's assent to parliamentary legislation is *pro forma;* the last refusal was in 1707, and, since then, the king has not been a material part of the legislative process. Nonetheless, Charles refuses to assent to legislation passed by parliament. He seeks to negotiate with parliament, creating a constitutional crisis in which the Prime Minister threatens

[1] *King Charles III* by Mike Bartlett.

to remove the requirement of royal assent to statutes, but Charles first disbands parliament. The future of the monarchy is at stake. Parliament puts up a tremendous fight. The play ends with Charles' abdication, leaving the reins in the hands of his son, Prince William, and the monarchy survives in the face of rising republican sentiment.

The play raises a question of political theory: Why and how exactly does constitutional monarchy survive in a world of republics? One answer is that constitutional monarchy is vestigial; the form is simply an anachronism, doomed eventually to fade away. But this view, rooted in republican teleology, is inconsistent with data. First, constitutional monarchies are extraordinarily stable, and make up the majority of the world's richest and most democratic countries (see Tables A.2-A.4).[2] Second, we sometimes observe the revival of constitutional monarchies that had been abolished, as in Spain (1976), Cambodia (1993), and in an earlier era, the United Kingdom (1689) and the Netherlands (1813).

In this paper, we conceptualize constitutional monarchy as a form of government in which the titular ruler has no power, and provide a theory of its endurance. We ask, what is to be gained by a having a constitutional monarchy instead of a republic, especially when the only apparent difference is the presence or absence of a titular monarch? Many parliamentary democracies have non-executive heads of state who play a purely ceremonial function. We argue that constitutional monarchies can reduce the stakes of politics, helping to sustain constitutional democracy against challengers, and integrating the nation. They also provide a kind of political insurance against worst-case constitutional crises. For these reasons, constitutional monarchy endures and even thrives in an era dominated by republics.

B.   Definition

Constitutional monarchy is a concept with no precise definition in the literature. We propose a definition with three key characteristics: (1) the Head of State is a monarch, either appointed or

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[2] According to the Economist Intelligence Unit 2020, eight of the world's top fifteen democracies are constitutional monarchies See Table A.3 in the Appendix. Other constitutional monarchies that have sometimes made the list include the United Kingdom (14 in 2019) and Japan.

hereditary; (2) the actual head of government is not the monarch and is responsible to electoral institutions; and (3) the powers of the monarch are laid out in a constitution or set of constitutional texts.[3]

So defined, constitutional monarchy is not a rare phenomenon. By our count, there are currently 42 monarchies out of roughly 193 independent nation-states, representing 22% of all countries. Eight of these, mostly oil-rich states, are absolute monarchies, leaving thirty-four constitutional monarchies, as we will define the concept.[4] Fifteen of these monarchies owe allegiance to King Charles, Sovereign of the United Kingdom and Northern Ireland. That means that, in the 21st century, twenty monarchs reign over hundreds of millions of people, even if they do not actually rule. And notwithstanding the predominance of rich democracies on the list, the category includes some non-democracies as well.

Constitutional monarchy can be contrasted with both absolute monarchy and with republicanism. Classical thinkers in the Western tradition understood their monarchies to be constrained by institutions, even if not the electoral institution emphasized in our definition. In *De L'Esprit des lois* (1748), Montesquieu identifies three basic types of government: "republican government is that in which the people as a body, or only a part of the people, have sovereign power; monarchical government is that in which one alone governs, but by fixed and established laws; whereas in despotic government, one alone, without law and without rule, draws everything along by his will and his caprices (Montesquieu 1748 [1989]: Book 1. 10). The Ottoman Sultan was the definition of a despot in Montesquieu's orientalist construction; the

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[3] Note that Przeworski 2012:108 uses the alternative criteria of a legislature, at least partly elected, with power to approve the budget.

[4] Appendix A.1 lists constitutional monarchies as of 2021. The eight that we define as absolute are Eswatini (formerly Swaziland), Saudi Arabia, Oman, Qatar, the United Arab Emirates, Brunei, Bahrain, and Kuwait. Note that Gerring, et al (2021), exclude powerless monarchies from the designation entirely. Anckar and Fredriksson (2018) divide monarchies into parliamentary monarchies, monarchic oligarchies and semi-monarchies, which are aggregated in their data.

monarchies of Europe, including England, were monarchs who governed by "fixed and established laws." He saw them as constrained by small-c constitutional rules.

Like the American founders who drew heavily on his work, Montesquieu seems to focus on *legislative* power as the key element of the constitution (Haakonssen 1981: 169). Thus, in Montesquieu's view, a monarch who does not exercise that power exclusively is constrained. One might see these constraints as embodied in a constitution, and the "fixed and established laws" as providing limits on power.

Similarly, Hume (1752:58) emphasized the importance of a monarch as a constraint on the legislature: "It is possible so to constitute a free government, as that a single person, call him doge, prince, or king, shall possess a large share of power, and shall form a proper balance or counterpoise to the other parts of the legislature." Hume assumes the monarch is constrained, and also points out that it constrains other elements of the political system.[5]

We focus our definition of constitutional monarchy not on the primary locus of legislative power, but on executive responsibility to an elected institution. Do the people or the monarch play the dominant role in forming a government?[6] We think it important to focus on government formation rather than the legislative process as the core power for two reasons: first, there has been a secular shift of powers to the executive in many political systems. Second, even absolute monarchies will sometimes govern with legislatures that have some formal role in making law.

The focus on executive function helps to bring certain non-Western monarchies into the same framework. The Imperial House of Japan, for example, has nominally reigned for 2600 years but

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[5] In a little-known work, Adam Smith provides a similar argument, more systematic than those of Hume, Montesquieu, and the American Federalists. Smith's ideas can be found in his *Lectures on Jurisprudence* (1762-63); Weingast (2020) provides a modern theoretical analysis of Smith's work from this perspective.

[6] Hegel, in his essay on "The Reform Bill," observed that formation of the government was a central object of contestation under monarchy in the 19th century (Przeworski et al., 2012:102).

for vast periods, actual governance has been led by hereditary military rulers called Shoguns. The emperors were not constitutional monarchs in the conventional sense since there was no legislative institution, but they often did reign without ruling, and had no role in picking the government. We believe that our conceptual choice is superior because it can incorporate such systems.

To be sure, the principle of government responsibility can be ambiguous. Przeworski (2012: 102) notes that the rise of parliamentarism in the paradigmatic case of the United Kingdom can be dated alternatively to several moments, including: the Glorious Revolution of 1688; the first mention of parliamentary responsibility in a speech in 1711; the first collective cabinet resignation in 1782; or the formation of the first partisan government in 1803, among other possible milestones (see also Cox 1987; Pincus 2009).   Yet in modern settings, such ambiguities have been resolved so that either the electoral process or monarchy has effective power to determine the leader.

Even when the criteria of government responsibility to parliament is met, the monarch can have more or less influence on actual affairs. In Thailand, for example, the Constitution requires a government responsible to parliament, but (as will be described below) the King has for several decades exercised significant undefined powers, in particular in recognizing *coups d'état* and constraining military leaders. In Europe and the commonwealth, in contrast, such interventions have been exceptional, and sometimes controversial (Hazell and Morris 2018). Finally, constitutional monarchies need not be democracies, but generally have a parliamentary form, with at least some members of the legislature being directly elected.

C.   Frequency

Figure 1 provides rough evidence for the frequency of monarchy, focusing on the second criterion of constitutional regulation. It shows that constitutional regulation of monarchy rose around the turn of the 20th century. Casual observation attributes this to (i) the expansion of written constitutions generally, so that old monarchies like that of Thailand became

constitutionalized; and (ii) the breakup of the large Austro-Hungarian and Ottoman empires which led to new countries that often established monarchies. The later breakup of the British empire led to an expansion in the absolute number of countries under monarchy as well, though many of these 36 former colonies became republics instead.

Figure 1: Constitutionalized Monarchy over Time
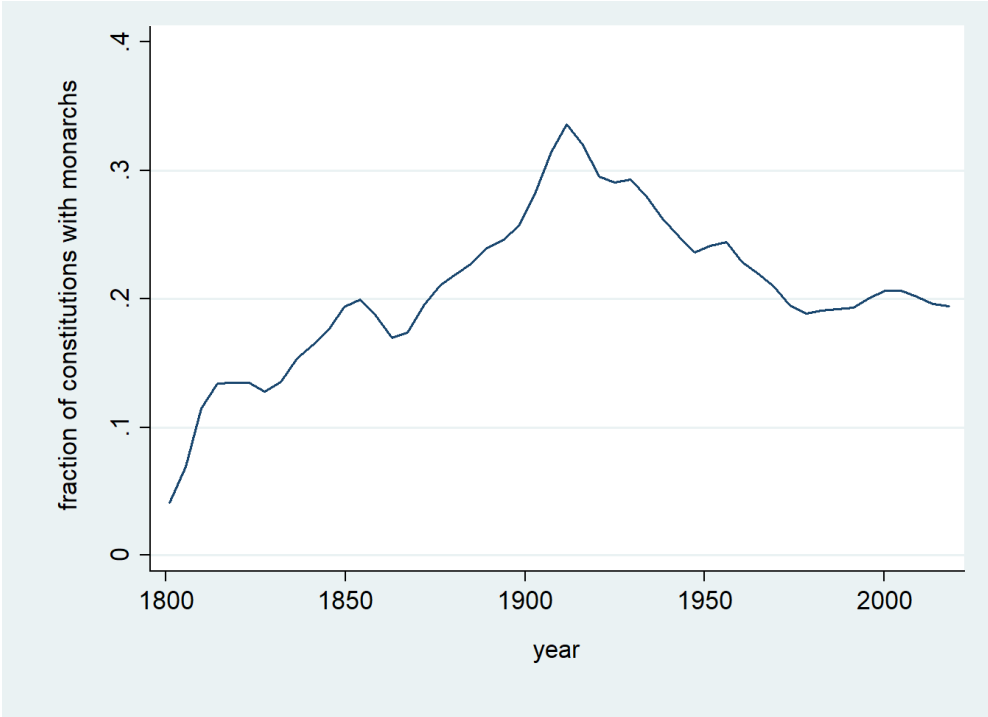
The simultaneous rise of written constitutions and the number of monarchies means that the first two criteria in our definition--a monarch and constitutional rules—do not themselves define *constitutional* monarchy. For example, Nepal's Constitution of 1951 provided for a monarchy without an elected legislature at all, much less one that could appoint a cabinet.[7] We categorize this as an absolute monarchy, with rules embodied in a written constitution.

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[7] Nepal Interim Government Act 1951.

Figure 2 below focuses on the postwar period, and shows the share of monarchies that are constitutional monarchies by our definition. It shows that absolute monarchy (the residual between the solid and dashed lines) has risen as a percentage of total monarchies since decolonization began, largely because of the creation of monarchies in the Muslim world, especially among former British colonies.

Figure 2: The rise of constitutional monarchy
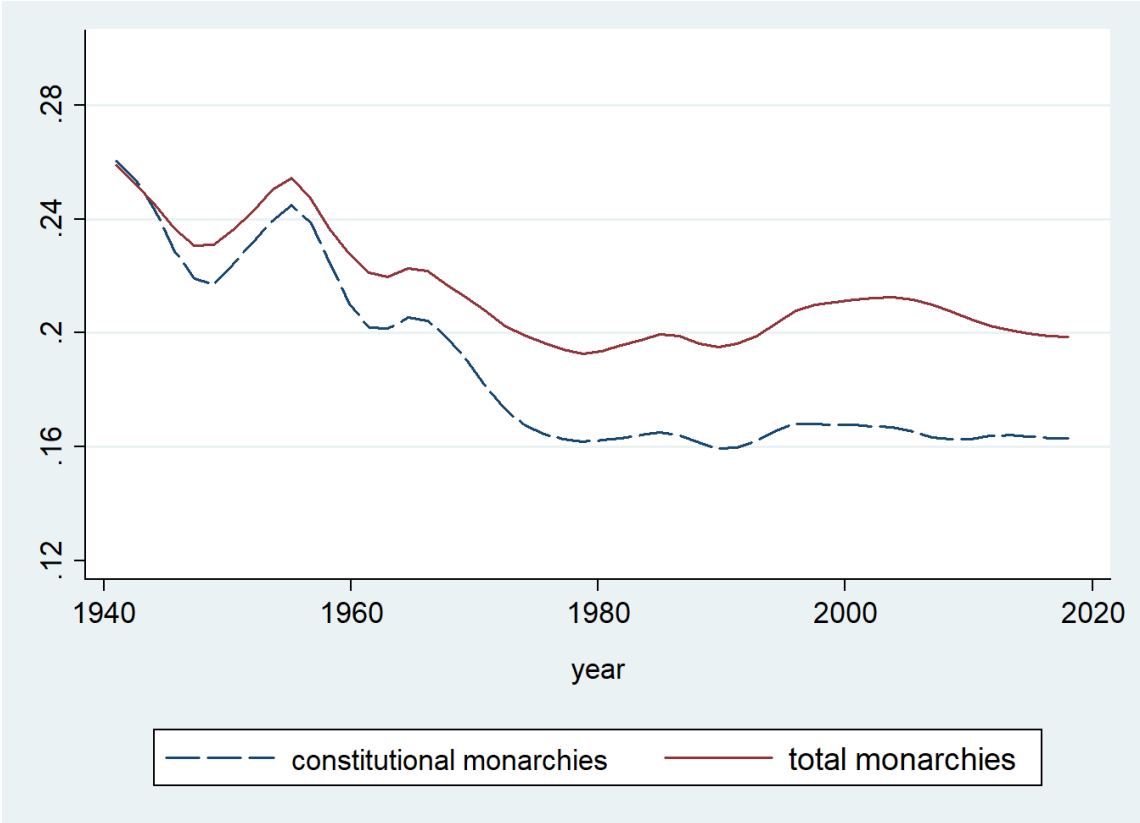
D. Theory

1. *Definition*

Consider a spectrum of four possible arrangements. At one extreme (Type I) there is an *absolute monarch* who wields all authority. Next (Type II), there are monarchs who co-exist with parliaments with varying degrees of legislative power, but in which the monarch exercises or controls executive authority. We call this *executive monarchy*. Next (Type III), there are

monarchs who have yielded executive authority to a prime minister who has the support of parliament, which we call *constitutional monarchies*. Finally, there are *republics*, in which the monarchy either never existed or has been abolished.

One can array many countries today on the spectrum: Saudi Arabia and Brunei are absolute monarchies; in Kuwait and Bahrain, kings co-exist with a parliament but still retain a good deal of executive power and so can be called executive monarchies; in the Netherlands, the United Kingdom, and Sweden the monarchy has neither executive nor legislative power. And in Iraq, Nepal and several other countries, the monarchy has been abolished entirely, though there are some examples of hereditary republics that persist beyond two generations.

Table 1 categorizes various contemporary monarchies. We recognize, of course, that there are certain fuzzy cases as well as internal variation within each category. One can immediately see one advantage of constitutional monarchy over absolute monarchy: it accommodates the full range of political systems from democracy to dictatorship.

Table 1: Types of monarchies and democracies

Regime type	Highly democratic	Moderately democratic	Undemocratic
Absolute monarch			Brunei, Saudi Arabia
Executive monarch			Kuwait, Bahrain
Constitutional monarch	Scandinavia, Benelux, Japan, Spain, UK	Jordan, Morocco, Malaysia, Bhutan	Cambodia, Thailand
Republic (no monarch)	United States, France, Nepal	Singapore (founder's son is current PM), Iraq	North Korea (but hereditary)

Where a political system lies in this framework will depend on particular bargains struck by kings and parliaments, among others. There is nothing inevitable about the full slide from absolutism toward republicanism. Although it is rare that countries move back toward prior types, it does occasionally occur.

2. *A Model of Constitutional Bargaining*

Our primary concern is to explain the functioning of constitutional monarchy. Tridimas (2021) has recently modelled the emergence of constitutional monarchy as a result of a bargaining process in which the king shares power with a liberal challenger (see also Przeworski 2012). In contrast, we focus on a constitutional monarch with no power at all. To understand the role of a constitutional monarch without powers, we provide several games illustrating the incentives of the players and the equilibrium outcomes of these games. We begin with two players, an absolute monarch and a set of civilian elites with whom she must bargain over government formation. The monarch provides services to civilian elites, taxing them in exchange for military protection and other services. Civilian elites have some power as well, perhaps based on independent sources of revenue. To explain the interaction we use a simple bargaining model commonly employed in political science (Fearon 1995; Powell 1999) and economics (Muthoo 1999).

Let M be the constitutional monarch and let C be civilian elites. The two players interact in a game as follows (see Game 1). We normalize the total social surplus to = 1. Fighting is costly; for simplicity, we let c be the costs of fighting, such that c > 0. If fighting occurs, both players lose c.[8] The two players may differ in their "power," the reflecting the probability that M (C) will win if fighting breaks out. On the assumption that the players bargain to a place where neither wants to fight, we let S be the split of the surplus that goes to player M; 1-S to C. Next, we let p be the probability that M wins a fight. If M (C) wins, then M (C) captures all the surplus, 1. We

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[8] Most models assign different costs to the two players. For our purposes, this addition complication is not necessary.

assume, again, for simplicity, that if either of the players initiate a fight, the outcome is the same. There is no first mover advantage, for example.

The figure below shows the extensive form game. M moves first and must decide whether to initiate fighting. If it initiates fighting, then the players fight; if M chooses not to initiate, the C has the same choices, to initiate a fight or not. If M has chosen not to fight, then C must choose between the same two moves.

We ask our primary question for the model in two ways closely related ways: What bargains/division(s) of the surplus are an equilibrium? What are the players' equilibrium strategies?

If they fight, then the expected value of fighting for M is p, the probability of winning, and if it wins, it captures the full surplus of 1; and it must pay the cost, c. M's expected payoff is then $p - c$. For similar reasons, C's expected value is, $(1 - p) - c$. For an equilibrium to exist the equilibrium strategies must follow a pattern we call the "no-fight" conditions. If $1 \geq S \geq 0$ is the surplus to the monarchy, then $S \geq p - c$; and $(1 - S) - c \geq 1 - p - c$.[9]

Note that, as p grows (in the abstract), S shifts in M's favor.

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[9] The equilibrium strategies are: M accept the bargain if $S \geq p - c$; otherwise, choose fight. And for C, accept the bargain if $(1-S) \geq 1 - p - c$; otherwise fight

Game 1: Bargaining between a Monarch And a Group of Citizens

| | Payoffs | |
	M	C
Fight	p-c	1-p-c
No Fight → Fight	p-c	1-p-c
No Fight → No Fight	S	1-S
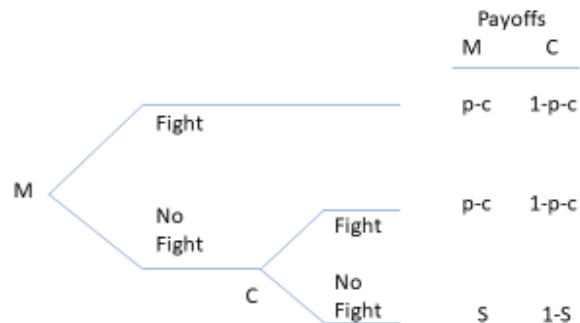
When this game is played over time, we can calculate the relationship in an underlying parameter as it changes over time. One can think of this as the level of services M provides, or the ability of C to credibly threaten to overthrow M. We discuss the nature of these services below. For our purpose, we let α be a parameter such that as α rises, the discretionary power accorded to M decreases; that is we now write p as $p(\alpha)$, where the first derivative is negative, that is, $p'(\alpha) < 0$. Over time, in this model, the monarchy loses discretionary power until it hits a value of $p(\alpha_{MAX})$ in which $p(\alpha_{MAX}) = 0$.

The model affords some interesting dynamics over time. Increases in α over a long period, if reasonably accurately anticipated by two bargaining parties, results in a series of decreases in M's power and a corresponding increase in the citizenry's power. But if one of the decreases is large and not anticipated in an accurate way by both M and C, then we have a problem of asymmetric information, as emphasized by Fearon (1995) whose classic paper explains how asymmetric information can lead to fighting. This occurs if the players have wildly different expectations of how an event affects their power. For example, if M believes its power had decreased a small amount over a given period while C thinks the decrease is much larger, then

the highest offer M is willing to give to C may be lower than the lowest offer C is willing to accept. In this case, at least one of the parties will initiate a fight.

Under some parameter conditions, which we do not model, C will eliminate M entirely. In that outcome the game is over and the country is a republic (Przeworski 2012). But the next section describes why that might not be desirable.

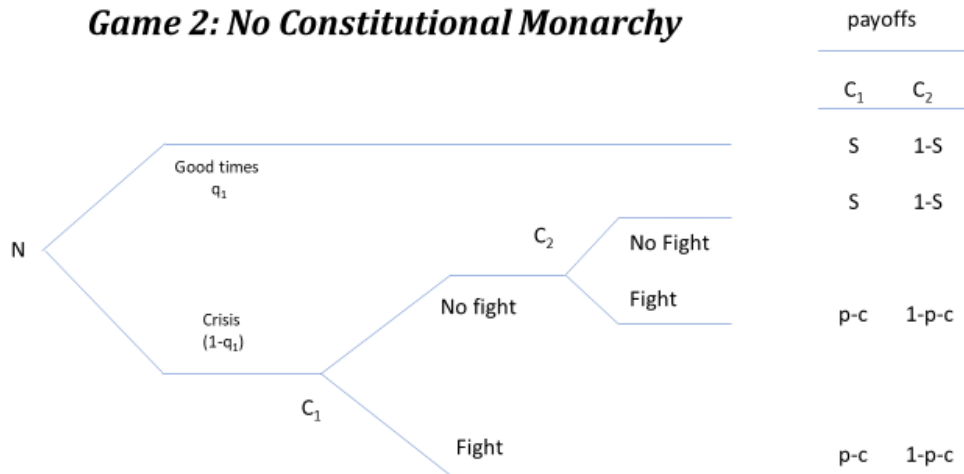### 3. *Republic vs. Constitutional Monarch*

To study the role of constitutional monarchy, we employ a bargaining game in which M has no power $p(\alpha_{MAX}) = 0$. Because $p(\alpha_{MAX}) = 0$, the second and third games take place after the monarchy has become titular. Suppose there exist two parties, C1 and C2 competing for public support in periodic elections. M has no power but collects a small share of S, which we designate as R, and which is determined by C1 and C2.

Under normal circumstances, C1 and C2 bargain with each other much as M and C in the prior game. But there are again potential for large shocks that disrupt bargaining. Under some circumstances, C1 or C2 may try to defect from democratic rotation and try to take over the system, say by eliminating elections or overturning their results. This could occur when one side thinks its very existence is threatened, or simply result from bargaining breakdown. Indeed, if C1 *believes* that C2 is trying to take over the system, it might provoke C1 to escalate fighting and pre-emptively eliminate C2. A monarch with no formal powers may be useful to identify such circumstances, identifying extreme anti-democratic moves. The role of the monarch is to negotiate with both sides and to attempt to devise a new solution to the bargaining game between C1 and C2, such that $S' \geq p-c$ and $(1-S') \geq (1-p) - c$.

First, imagine the game with no constitutional monarch, so that C1 and C2 bargain on their own (see Game 2). Nature moves first and chooses good times with probability q_1 and a crisis with probability $1-q_1$. Presumably, q_1 is large. Assume a crisis implies asymmetric information, so that the beliefs of the players may differ considerably. Hence at least one of C_1 or C_2 wants to fight. The equilibrium of the game is for C_1 to choose to fight given that nature has chosen a crisis.

The Role of a Constitutional Monarch
With No Formal Powers
Game 2: No Constitutional Monarchy

	payoffs	
	C_1	C_2
	S	1-S
	S	1-S
	p-c	1-p-c
	p-c	1-p-c

Good times q_1

N

Crisis $(1-q_1)$

C_2

C_1

No fight

No Fight

Fight

Fight

Now add M, with no power, that is, $p(\alpha_{MAX}) = 0$. As with game 2, N move first and chooses between good times with probability q1 and a crisis with probability $1-q_1$ (see Game 3). Presumably, q_1 is large. If Nature chose a crisis, then Nature chooses again. With probability q_2, M finds a solution to the crisis through negotiations with the other players, and the players receive their payoffs. With probability $1-q_2$, M fails to find a solution and, as with game 2, at least one of the players wants to fight.

Hence the equilibrium of the game, if N chooses a solution, is that the players get their new bargaining payoffs of S' − R for C_1 and 1-S'-R for C_2 where R is a payment to M from each player—representing, say, the annual costs of maintaining the monarchy. If M fails to find a solution, then at least one of the political players wants to fight, so they receive their payoffs of p-c-R and 1-p-c-R, respectively.

In this game, the expected value of the players, contingent on a crisis is: with probability q_2, M finds a solution and the payoffs are S'-R and 1-S'-R, respectively. With probability $1-q_2$, M fails to find a solution and the at least one of C_1 and C_2 will initiate a fight. The payoffs here are, again, p-c-R for C_1 and 1-p-c-R for C_2. Putting these two components together, we have the expected value for C_1, contingent on a crisis, as:

$$q_2 (S'-R) + (1- q_2)(p-c-R) \tag{1}$$

and for C2:

$$(q_2)(1-S'-R) + (1- q_2)(1-p-c-R). \tag{2}$$

Therefore, if $(S'-R)$ is set appropriately (and R is not too large), then we have the expected payoffs to each player is strictly higher under a constitutional monarchy than a pure republic. This holds because there exists S' such that $S'-R > p-c-R$ and $(1-S'-R) > (1-p)(1-S)-c-R$. Put another way, with probability q_2, C_1 and C_2 are strictly better off under a constitutional monarchy, whereas with probability $(1-q_2)$, they are as well off without a constitutional monarchy. Therefore, a constitutional monarchy with no formal powers improves the outcomes for the players.

The Role of a Constitutional Monarch With No Formal Powers
Game 3: A Constitutional Monarchy
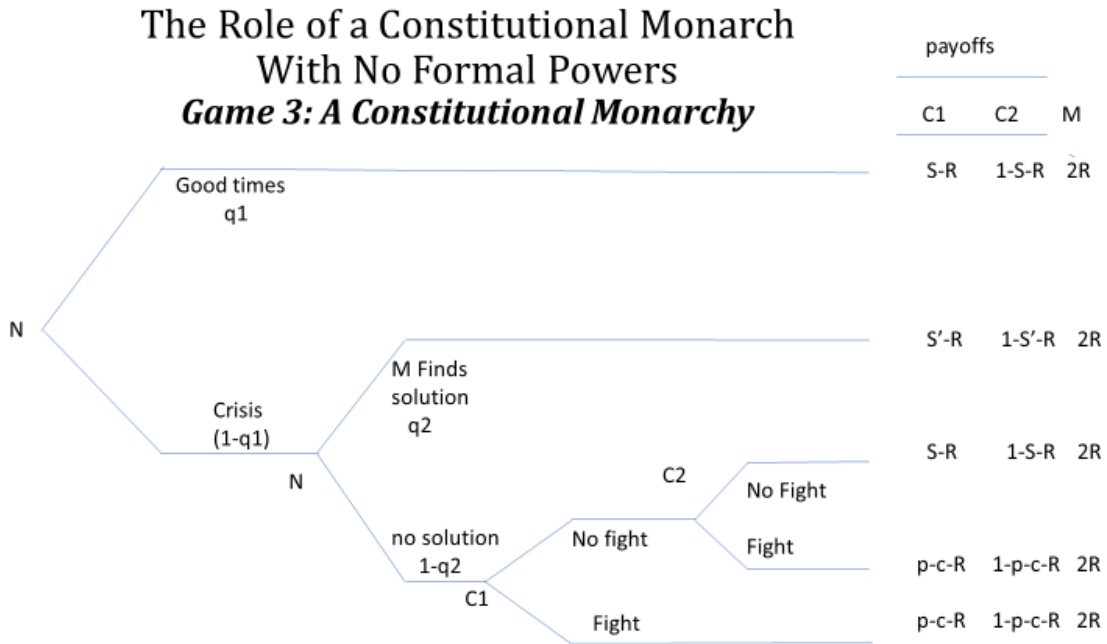
E.   Conditions that shape the Bargain

This section provides some descriptive detail about the stylized conditions that shape bargaining in Game 1, which will allow us to trace dynamics over time. We think of the

monarch in Game 1 as providing three kinds of services to civilian elites: *protection, integration* and *crisis insurance*. We describe each below. In contrast, in Game 3, the monarch provides only crisis insurance.

Civilian elites, in turn, derive their power from their independent sources of wealth, outside those controlled by the King. As civilian elites develop forms of wealth not dependent on the monarchy, their threat point changes, and they will demand a greater share of control over government and taxation. Demand for monarchic services falls. On the other hand, as civilian wealth is threatened, either from external predators, or perhaps from internal challenger, demand for the monarchic services increases.

1. ***Protection***

Monarchies emerge as solutions to collective action problems involving security, and the early history of the state is usually understood as a protection racket (Olson 2000). Kings provide protection in return for taxes. As military capacity is needed to fight wars, kings must bargain with subjects over the terms of extraction. These bargains have been loosely codified in some constitution-like texts. In East Asia, for example, the "Constitution" of Prince Shotoku in 6th century Japan adopted restrictions on corvée labor, limiting it to agriculturally unproductive periods (Ginsburg 2010).

Protection requires the monarch to make some investment in a military, which can protect against outside threats, and also engage in selective repression of individual civilian elites if they violate the terms of their bargain. However, too much investment in military power risks creating an alternative power structure that could depose the monarchy. It is also costly in terms of requiring high levels of taxation. The monarch needs a military apparatus capable of restraining democratic pressure, but not so strong as to be able to overthrow the monarchy. (We do not model this separate interaction).

Kings bargained with parliaments for money, and as mass armies came to be required, kings had to bargain with citizens to provide military men. This led to gradual extension of franchise (Ferejohn and Rosenbluth 2016) which meant that monarchs had to expand their appeal. Mass

armies also created generals with an independent power base, who themselves could pose a threat to the monarchy. The situation of monarchs is a delicate one: they need the military to protect the people and to repress popular demands, but if the military becomes too powerful it forms its own threat. Repression of popular demands is a dangerous strategy for monarchs, not only because it frustrates the will of the people, but because it necessarily empowers security forces which themselves can end the monarchy. Giving up power to a parliament could stave off a coup d'etat and preserve the throne.

2.   Integration and Reducing the Stakes of Politics

 Gerring et al (2021: 592) point out that monarchs become more attractive as size of the polity increases. It is the very diversity of society that paradoxically increases the value of a single individual as a coordination point. A King can integrate diverse populations, allowing cross-group transactions, while ontological unity of the nation can reduce intergroup conflict as well. Both contribute to economic stability.[10]

Another dimension of integration is cultural. Monarchs tend to assume a special role as defenders of all their subjects, including minorities. Expressions of loyalty to the monarch provide minorities a channel to political acceptance and citizenship, which a purely ethnic or confessional basis of politics would not provide. Reciprocally, monarchs tend to protect minorities, who pay (sometimes discriminatory) taxes, but pose no political threat. One prominent example is Franz Joseph, who kept the Austro-Hungarian empire together in the face of rising nationalism, in part with support of minority groups. Another is the Ottoman Sultan, who presided over a multi-confessional empire, with Christian and Jewish subjects who contributed greatly to economic activity. When the Sultanate collapsed, the new leaders of

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[10] One dimension of integration is generational.   As Hazell and Morriss (2020) note, generations of citizens identify with royals of their own generation, marking time with events in the royals' lives. This results in a sense of integration across time, and reinforcing national identity.

Turkey both eliminated the monarchy and purged the country of Armenian and Greek Christians. In contrast, constitutional monarchs in Morocco, Denmark and Bulgaria made a special point of protecting Jewish subjects during World War II. The Moroccan King refused to comply with Vichy French orders to round up Jews (Boum and Stein 2019), and the Danish King apocryphally put on a yellow star of David.[11]

Besides ethnic minorities, monarchs can play a role in reassuring conservatives that their interests are protected. In a series of papers, Weingast along with co-authors (2007, 2020; Weingast Mittal 2011) argue that democratic constitutions endure when they successfully reduce the stakes of politics. When people's core interests, be they religion, language or property, are threatened, it triggers what he calls the *rationality of fear*. This in turn can lead to political disruption and even constitutional replacement.   In a stable constitutional democracy, the stakes of political choices are typically small. In unstable polities, the stakes are often very high – your life, family, and wealth are at stake. Suppose that a disastrous but low probability event is possible. It is not very likely, but the consequences are high. In this circumstance, rational people may well act to prevent the disastrous event, undermining social integration.

Constitutional monarchs serve as a stakes-reducing mechanism for conservatives. First, monarchies sound in tradition, and tend to be associated with conservative politics. Conservatives favor property rights and religion. A long history of political thought considers the threat posed by democracy to property holders, with constitutions as a device to codify a social arrangement (see Carugati 2019 on ancient Athens; Ziblatt 2017).   Property owners can feel protected and empowered when monarchy is preserved.

An example might be postwar Japan, where MacArthur's decision to preserve the emperor induced conservatives to cooperate with the Occupation authorities and allowed the successful reconstruction of Japan. The process included massive land reform, which would not have been possible without Occupation pressure, and might have triggered the rationality of fear.

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[11] In fact no such thing occurred, as Danish Jews were not forced to wear the Yellow Star, but the King may have threatened to don one in the event that Nazi occupiers did seek to force the issue.

Keeping the emperor, however, reduced the threat of right-wing violence. A similar story can be told with the Spanish return to democracy in the 1970s, when the retention of the monarchy was a key demand of conservatives, but was accompanied by a long period of socialist rule. The argument is that the rule of one's opponents is more tolerable if there remains a strong symbol of conservative values, which could mitigate attempts at expropriation.

Relatedly, monarchs often take on a special role in religious ritual. The King of England is the head of the Anglican Church; similar roles can be found for many European monarchs. The Japanese Emperor is the living descendent of the Sun Goddess, and plays a central role in Shinto ritual. The retention of a religious role means that monarchs send a signal to the faithful that their symbols will not be eliminated. Again, this reinforces conservative politics and reduces the rationality of fear. Contrast the contemporary United States, where conservatives have a seemingly irrational fear that their interests will be destroyed. This leads to hyperbole, polarization and, perhaps a self-fulfilling prophecy in which democratic erosion is the only way to protect core demands.

The above discussion might make it seem like monarchs only benefit the political right. But left-wing politics can also gain protection from a monarch because the monarch can reduce the possibility of a military coup. The next section provides a well-known example from Spain. The point is that the presence of a monarch can reduce the threat of communist revolution as well as military coup, shifting politics toward the center. Relatedly, one way in which monarchs may reduce the stakes of politics, particularly important in our era, is by mitigating populism. The presence of a monarch provides an upper limit on the power of political leaders. The symbolic unity provided by monarchy can limit the most problematic forms of populism. In many countries, one of the agents of democratic erosion in our era is what Ginsburg and Huq (2018) call charismatic populism. The charismatic populist is a leader who claims the exclusive, almost mystical power to intuit what "the people" want, and will single-handedly lead them in the struggle against the elites who have run the country into the ground. It is no surprise that populist leaders like Viktor Orbán, Recep Tayyip Erdogan and Jaroslaw Kaczynski seek to demonize those who get in their way, characterizing them as the "enemies of the people".

Our argument is that in a constitutional monarchy, populist politics may have more difficulty in gaining traction, or alternatively the populist leaders must moderate their messages. With a monarch in place, the job of serving as "embodiment of the people" is already occupied, providing an upper bound on how much symbolic power any other individual or group of individuals can possibly accumulate. Whereas Erdogan fashions himself as a new Sultan, and Hugo Chavez liked to invoke president-for-life Simon Bolivar, there is no way a British or Danish or Norwegian equivalent could credibly emerge. Instead, the closest one can get is to become a disruptive leader in parliament, pushing a populist message and for populist policies. But with the presence of a monarch, there is no way a populist can claim to be the one true leader representing the entire people. That position has already been filled. Evidence for this is found in Figure A.5 in the Appendix below, indicating populist vote share in various European countries. All the constitutional monarchies are in the bottom half of this indicator (as is Norway, excluded from the data.)

3.   *Crisis Insurance*

Our model focuses on the monarch's special role in providing focal points, even when lacking legal power to do so, during times of true crisis. This means that at a last resort, a constitutional monarch can serve to prevent the erosion of democracy. A central example is when Juan Carlos of Spain helped stand down a coup d'état launched in his name in 1981, described further in Section V (Hazell & Morriss 2020: 58-59). This famous example shows that monarchy can play a role in providing political insurance to parties on the political left as well as those on the political right.

Twomey (2018) shows how this power works in the Westminster system, namely through the presence of "reserve powers" whose is very rare, but remains available in the event of a crisis. Twomey quotes Mackinnon (1951: 152) as coining the metaphor of a fire extinguisher, which is something we hope never to use but we also know must be maintained in good working order, in the event that they are necessary.

Determining what counts as a true crisis meriting monarchical intervention is tricky. Monarchs sometimes use their discretion when choosing parliamentary parties to form government as a

way of excluding anti-democratic or extremist parties. But this is risky; if a monarch is too willing to provide crisis insurance, it might induce moral hazard in political actors, who will appeal to the monarch too frequently. Part V has some examples of this off-equilibrium pattern.

Occasionally there is a breakdown, usually involving the monarch's representative rather than the sovereign herself. One famous conflict arose in Australia in 1975, when the Governor General, Sir John Kerr, confronted a situation in which a Labor government was unable to obtain a budget from the opposition-controlled Senate. The Governor General dismissed the Labor Prime Minister, Gough Whitlam, without giving him a final chance to resolve the gridlock, and installed the Leader of the Opposition, Conservative, Malcolm Fraser, in his place. The new Prime Minister secured a budget, and the Governor General then called a new election that led to a massive Conservative majority. In turn, this led to criticism and protest at the perception of partisanship of the Governor General, who ended up resigning in 1977. The aftermath of the affair led to much recrimination of all parties involved, with Kerr being generally viewed as having acted too early.

Still, counter-examples seem to be the exception rather than the rule. The focal point quality of the monarchy empowers it to serve as the fire extinguisher for democracy, in the event of a true attack from within. Given the relatively low cost of maintaining this form of political insurance and the risks attendant to the nation-states by internal insurrection there is little reason to abolish it, and many reasons to keep it.

4.   *Availability of Alternatives*

These various functions of national integration and crisis insurance help us to understand why constitutional monarchies are such a successful form of government. But of course, there are other institutions which might develop to play a similar role, and the relative attractiveness of constitutional monarchy depends on its relative advantages. We consider two: ceremonial presidents and courts.

1. Non-executive presidents

Ceremonial or non-executive presidents bear a superficial similarity to constitutional monarchs. As put by International IDEA (2017), such presidents "typically embody and represent the legitimate constitutional authority of the state, performing ceremonial and official functions in which the identity and authority of the state as such, rather than that of the incumbent government, is emphasized." Such presidents will play many of the same roles as do constitutional monarchs, such as receiving ambassadors, formally opening the sessions of parliament, and appointing the prime minister. The major difference is that the non-executive president is appointed by parliament for a limited term, whereas the monarch inherits the position. Because the president is selected by parliament, typically from the ranks of senior politicians, an individual can be chosen on the basis of merit, which in this context means an ability to identify crises. Monarchs, on the other hand, are not selected for ability, and history provides many examples of monarchs without judgement.

Weighing on the side of monarchy, however, is the factor of being able to integrate the nation and actually have people listen when needed. Here the monarch may be superior to a president, simply because of the weight of tradition and authority they command, and the fact that they are directly known by the public. The loyalty citizens have may be greater when focused on an individual rather than a mere office-holder. In short, presidents might be better at identifying crises because they are selected for skill, but monarchs may have more of a chance of providing a focal point when crises arise.

2. Courts

Ginsburg (2003) argues that the central function of courts in the political system is to provide a form of "insurance" to political parties that expect to find themselves out of power. Another literature suggests that courts can provide focal points to resolve issues of differing interpretation of norms and rules. This could presumably be the case when a system is at risk of a political crisis. Furthermore, courts can lower the stakes of politics by protecting rights,

reducing the risk associated with being out of power. Can courts substitute for monarchs in this regard?

In a word, yes. Indeed, some might argue that the reason courts were able to assume such a prominent role in the governance of the United States was precisely because of the need for a focal point to resolve crises in the absence of a monarch. A presidential system also throws up separation of powers disputes, leading to expanded demand for judicial services.

The problem with relying on courts to play these functions is that robust courts cannot be taken for granted. Judicial power is hard to build up, and many courts struggle to earn the respect of their publics. A weak court cannot effectively provide crisis insurance. Furthermore, the literature on judicial politics makes clear that judicial power is often implicated in domestic cleavages that generate conflicts and crises. For example, the courts of Pakistan have blessed every military coup in that country's history; Egypt's judges have also allied with the military.

Courts also cannot easily play the symbolic function of integrating the nation. To be sure, judicial protection of minorities can contribute to a sense of belonging in some cases. But legal cases always have winners and losers. There is neither the possibility nor evidence of a judicial decision truly uniting everyone in a nation in the way that monarchs can.

In short, like non-executive presidents, courts might be able to play a role in crisis insurance, but seem less able to integrate the country.

F.   Analytic Narratives

To test the plausibility of the theory presented here, this section provides several analytic narratives of national monarchies (Bates et al 1998). For our sample, we examine every country that was a monarchy as of 1946, with the exception of micro-states, and one country that returned to monarchy thereafter (Spain). We draw our sample from Anckar and Fredriksson (2018), though supplement it with other cases that they exclude (e.g. Japan 1946-52.) We use World War II has a starting point because it marked a massive exogenous global shock that unleashed dynamics leading to the creation of new monarchies as well as the abolition or non-restoration of old ones. We exclude discussion of the absolute monarchies

identified in footnote 4, and consolidate United Kingdom dominions into a single narrative. (For space reasons, the narratives for countries with populations under one million are excluded.)

Although our sample is the entire universe of countries during this period, these analytic narratives should be considered plausibility probes of our broader theory rather than a rigorous empirical test (Eckstein 1975; Levy 2008). The universe of potential observations for full hypothesis testing is enormous, as it might conceivably include every potential crisis over many centuries. Instead, we focus on the observable implications of our theory, of which we find supportive evidence in many of the cases discussed below.

Afghanistan

The Duranni dynasty had ruled Afghanistan since the 18th century. The last King, Zahir Shah, took the throne in 1933, and his main challenger turned out to be not from a liberal elite but from within his own family, in the form of his cousin Daoud Khan. (Cousin-rivalry is an endemic feature of Pashtun culture; see Ginsburg 2012). Khan had served as Prime Minister in the 1950s, but in 1964, the King adopted a new Constitution for the country that was supposed to modernize its political system, and it barred members of the royal family from serving in political office. The Constitution created a parliamentary system, but the King's relations with parliament were not much better than with his cousin. Parliament passed several laws on local government and political parties, which the King did not sign. The parameter α of civilian power was rising, but the King, perhaps concerned about his personal position vis-à-vis his cousin, did not yield. When Khan undertook a coup in 1973, he eliminated the monarchy and established a one-party state. This is a story, then, of failed bargaining in game 1, in which $p(\alpha_{MAX})$ was positive but negotiations broke down. As an epilogue, Zahir Shah returned from exile in Rome after the fall of the Taliban in 2001, and was named "father of the nation" in the 2004 Constitution, even though it kept the republican form. Even off the throne, monarchs can play a symbolic role in national integration.

Belgium

Belgium emerged from the southern provinces of the Netherlands in 1830, and has the interesting feature that the monarchy, the constitution and the state were all created at the same time. As a result, the country was never an absolute monarchy, and always existed in a constitutional framework, modelled loosely on that of the United Kingdom. The King, descended from a German princedom, is supposed to serve as a symbol of unity and integration in a country that is deeply divided by language.

Unlike some other European monarchs, who stood up for minorities against Nazi rule, King Leopold negotiated a surrender that was deeply unpopular and went against the advice of the Prime Minister. He then remained in the country, even as the elected government fled for exile. He spent the final year of the war in Germany and then went into exile in Switzerland while his brother was elected as regent, with Leopold being declared unable to reign. All this meant that he was quite unpopular, and some argued that he should not return. In 1950, the Government called a referendum on whether he should be allowed to return. The referendum passed, with 58% of the public in support, but there were regional divisions that exacerbated existing tensions. The King's return was greeted with a general strike and he resigned in favor of his son Baudoin. The "Royal Question" about the legitimacy of the monarchy has rendered it a powerless and relatively unpopular monarchy in a divided country. But it survives. One might consider it a case in which inertia and the lack of agreement on an alternative between two civilian players, like those in C1 & C2 in Model 2, explains its endurance.

Cambodia

Soon after Cambodia gained Independence from France in 1954, King Norodom Sihanouk resigned the throne in favor of his father, and became prime minister. He presided over constitutional changes to empower the prime minister and ensure that the monarch's powers were limited. The next three decades were a period of war, coups and revolution, in which the monarchy was abolished in 1970. But in 1993, the United Nations brokered a rapprochement between the royalist political parties and strongman Hun Sen, leading to the restoration of constitutional monarchy. The office was to be quite weak, but it served a symbolic function of

reassuring liberals that a period of unity would ensue. Four years later Hun Sen took over the government, but left the constitutional monarchy in place.

The monarch is one of the few remaining elective monarchies in the world. The king is selected from among members of the royal family by a Council of the Throne that includes the Prime Minister, leaders of parliament and two senior monks, but in the context of Cambodia's authoritarian state, this means that the Prime Minister chooses the King rather than the reverse. In such a context, the monarchy plays a very limited function, without even the ability to provide crisis insurance. Clearly $p=0$ in this version of Game 1: the monarch has no power or ability to win in any conflict with Hun Sen. The slightest assertion of actual power would lead quickly to a republic.

Denmark

Denmark has fit the basic model of a constitutional monarchy since 1849. The King acts through ministers, and has only a formal veto that has not been exercised since 1865. However, on one famous occasion, known as the Easter Crisis, the monarchy sought to intervene in politics with very controversial results. In 1920 the province of Slesvig held a plebiscite to either remain with Germany or reunite with Denmark. King Christian X, alarmed by Prime Minister Zahle's intention to respect a plebiscite vote that didn't entail total reunification, dismissed Zahle's government. This dismissal was constitutionally permitted, but no King had interfered with the Parliamentary process in any significant way since 1848. The King appointed a new prime minister to form a new government until the following month's general election, but the Radical and Socialist parties were outraged. They demanded a republic and called for a general strike. The trade unions gladly agreed, worsening a preexisting food shortage. The King was popular with the people, and the people resented the strikes' further barriers to food security. Still, the King and his conservatives met with the socialists and radicals, agreeing to electoral reforms that gave the trade unions greater representation. The King kept his crown, but was forced to accept the results of the plebiscite, meaning that Denmark reincorporated only Northern Slesvig.

One way to look at this episode is as a moment when the King overstepped a norm, but his opponents overstepped more in their response. Elites allowed the King to keep his crown, but wary of future meddling. It seems that by instigating the general strike, the socialists and radicals turned the people against them, allowing the King to remain in power, because of a lack of coordination among civilian elites. But it was a close call, and since then, the monarchy has since refrained from interfering with democratic decisions of the *Folketing*. Even with $p(\alpha_{MAX}) = 0$, it remains present and able to provide for crisis insurance should the need ever arise. And it has offered protection for minorities, such as the famous incident in World War II when the King spoke up in favor of Jews.

Ethiopia

The Solomonic Dynasty of Ethiopia ruled the country from the 13th century until 1974, interrupted only by a brief period of the Italian occupation from 1935-41. The position was spelled out in a Constitution adopted in 1931, modelled on the Meiji Constitution of Japan, in which the monarch reigned over a modernizing political structure. It was in our terms an executive monarchy, with a house of nobles that had some power. In a broader regional environment marked by coups, the monarchy came to an end in 1974 with the establishment of the Derg junta, in whose custody Haile Selassie died. In the version of Game 1, with p>0 but < 1, the Emperor lost the battle and his head.

Greece

The Greek monarchy dates from the 1830s, but has been abolished and re-established multiple times. After the Nazi occupation ended, a referendum (the fourth since 1920) voted to maintain the constitutional monarchy during an ongoing civil war. In 1964, a new King Constantine II was crowned, and sought to assert powers beyond those laid out in the Constitution. He sought to over-rule the elected prime minister, Georgios Papandreou, on the issue of firing some military commanders, and eventually dismissed him in an event known as the "Apostasia of 1965." The constitutional crisis, resulted in new elections being scheduled,

with Pappandreou's party being expected to win. Before they could be held, some mid-ranking commanders staged a coup. Six years later they abolished the monarchy. This loosely fits the model of Game 2: M, after fighting with C1, provokes further conflict that leads to C2 taking over the whole system, and moving it to a republic.

Iran

Persian monarchy dates back over two and half millennia, but the House of Pahlavi is an invention of 1921, when a soldier Reza Khan took over Tehran with British assistance. He was declared Shah in 1925, and then ruled as what we call an Executive Monarch, choosing and dismissing ministers. Indeed, several of them died in his prisons. A brief period of democratic experimentation under his son Reza Pahlavi was terminated with the 1953 coup, and the Shah thereafter ruled as a modernizing autocrat. But demonstrations erupted in 1977, and the Shah's attempt to placate the opposition by allowing dissidents to return only hastened his demise. He left Iran in January 1979, ending the monarchy. As in Ethiopia, this was a version of Game 1 with p>0 but < 1, in which the Shah lost.

Japan

Japan's monarchy is a symbol of national unity and continuity, being fictively descended from the Sun Goddess Amaterasu Omikami more than two and a half millennia ago. For many periods of Japanese history, it played a merely ceremonial role. In the mid-19th century, Japan was a fragmented feudal state, and in 1868, reformers coalesced around the Emperor as a symbol of unification and centralization. The Meiji Restoration can be seen as an act of *integrating* a diverse country in the face of foreign threat. The Emperor's formal constitutional role was only formalized with the Meiji Constitution of 1884, which set up what we would call an Executive Monarchy: the Emperor chose the ministers. In practice, the Emperor had little influence, and refrained from intervening in fights between the civilian politicians and the military in the 1920s and 1930s.

World War II marked a critical juncture for the monarchy, in which the Emperor was transformed from an executive to a constitutional monarch. General MacArthur's decision to

preserve the imperial house induced conservatives to cooperate with Occupation authorities and facilitated the successful reconstruction of Japan. The process included massive land reform, which might have triggered the rationality of fear had conservatives not been mollified by the retention of the emperor. Japan's imperial continuity has thus functioned to *reduce the stakes of politics,* and there have been no genuine crises that have required any intervention since World War II. But clearly $p(\alpha_{MAX}) = 0$ and the Emperor has no constitutional power.

Malaysia

Malaysia is one of the most unusual monarchic systems, in that it is a collective, elective monarchy. Malaysia is a federal state formed by the British out of a set of territories that were historically distinct, and had their own traditional rulers, typically called sultans. After independence in 1957, nine of these rulers gather every five years to elect a new national monarch, called the Yang di-Pertuan Agong, from among their number. The convention is rotation. These traditional rulers are designed, not so much to *integrate* Malaysia's diverse population, but rather to symbolize the dominance of the majority Malay group, and to alleviate their sense of demographic and cultural threat. At the same time, the Constitution of Malaysia allows the monarch some role in minority protection. Article 153 of the Constitution, while allowing quotas to benefit the majority Malays and other native populations, provides that the monarch can intervene in the quotas to protect the "legitimate interests of other communities."

In general, the Malaysian monarchy fits the Westminster pattern of staying out of politics, but occasionally provides a form of crisis insurance. One recent, if dubious instance occurred in May 2020, in the midst of a pitched political battle between supporters of former Prime Minister Mahathir Mohamad and his erstwhile allies in the United Malays National Organization (UMNO). After a set of demonstrations, former Prime Minister Najib Razak was ousted in a massive corruption scandal in 2018. Mahathir came back, leading a fractious coalition. But in 2020, one of his allies, Muyyiddin Tassin, defected and joined forces with the UMNO Old Guard. Malaysia's monarch exercised his discretion to appoint Mr. Muyyiddin as

Prime Minister.[12] Muyuddin then immediately canceled the parliamentary session, allegedly because of coronavirus risk. At a May session, the King did not allow an investiture vote or motion of no confidence. We thus had a situation in which a monarch, ostensibly to resolve a political crisis, may have set democratic governance back. Because of the particular partisan status of the monarchs in Malaysia's complex ethnic politics, however, this did not cause widespread demand for a change in the system, or a move toward republicanism. And some months later in October, the monarch exercised or even abused his discretion to reject a declaration of emergency that would have left parliament suspended indefinitely (Shah 2022). Malaysia's idiosyncratic monarchy plays an unusual role in national integration, in reducing the stakes of politics for the Malay majority, and in providing an active form of crisis insurance. It clearly enjoys some power, so that $p(\alpha_{MAX}) > 0$.

Morocco

Morocco has been ruled by the Alaouite dynasty since the 17th century, becoming a "constitutional monarchy" only under the period of European colonialism from 1912-56. Mohammed V, the last sultan under the French, secured independence under a constitutional monarchic arrangement. However, his son Hassan II ascended the throne in 1962, declared emergency rule and ruled directly, with formal parliamentary institutions preserved. This period saw increased repression, and at least two coup attempts.

The global wave of democracy was a shock for Morocco as elsewhere, triggering renegotiation. Faced with rising protests and greater scrutiny of his human rights record, Hassan allowed democratic reforms in the early 1990s, and in 1998, a socialist government took power in the first instance of an Arab opposition party ruling. Another shock took place with the outbreak of the Arab Spring in 2011. Faced with widespread protests, the King proposed a new constitution that was adopted quickly by public referendum. For the first time, the constitution required the King to appoint the prime minister from the party with the largest number of seats in the

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[12] Richard Paddock, *Democracy Fades in Malaysia as Old Guard is Restored Without a Vote,* N.Y. Times, Sunday May 24, 2020, at A19.

parliament, completing the transition to constitutional monarchy in our terms. But the transition is not complete: as noted, earlier the King retains the power to dissolve parliament at his discretion. The king retains control over the judiciary, armed forces and foreign policy, as well as the power over religious matters. This is a situation in which $p(\alpha)<1$, but not 0. The monarch retains some role in *protection*, and possibly in *integration.* It seems to lie at the border between executive and constitutional monarchy.

Nepal

Nepal's monarchy was founded in 1768 by the Gorkha King Prithvi Narayan Shah. The first constitution for the country was adopted in 1948, and in 1951, inspired by developments in India, a full constitutional government was created with democratic institutions. In bargaining with the monarch, civilians tried to eliminate his role, but the King retained control over the military. Furthermore, the country was very poor, with civilian elites having few non-land assets, and thus little leverage.

In 1960, the King suspended the constitution and dissolved parliament; in 1962 he utilized emergency clauses to ban political parties and rule directly in a system of "guided democracy." This system of absolute monarchy lasted until 1990, when a large shock occurred: the global wave of democracy, which led to mass protests in Nepal. King Birendra agreed to lift the ban on political parties and become a constitutional monarch, a bargain memorialized in a new constitution in that year. This fits the model of Game 1.

In this context, another large shock occurred. Maoist forces launched a revolt in 1996, demanding the removal of the "feudal" monarchy. Civilian elites remained allied with the King, but in 2001, the Crown Prince walked into the palace and shot his entire family before turning the gun on himself. This led to the accession of Gyanendra, the late Birendra's brother. Gyanendra had little experience and used the Maoist revolt as an excuse to reassert royal control. In 2005 he suspended the constitution to assume direct rule. This attempt to turn back to absolute monarchy failed: it provoked reconciliation between civilian elites and Maoist rebels, and by 2008, the country had become a republic. This is a story of a monarchy that sought, twice, to restore absolutism. The first time was effective, but the second took place in

severe conditions of asymmetric information. The set of bargains took the country from absolute monarchy to republic in the space of five decades.

Netherlands

Constitutional monarchs have some discretion in identifying when a true crisis exists, but they can make mistakes. In at least one instance, this led to the diminishing of monarchical power. In 2010, when the populist Geert Wilders was in negotiations to provide parliamentary support for a minority government, Queen Beatrix abruptly turned to the Labor Party as *formateur*, which failed. This move delayed government formation and provoked a change so that future formateurs would be appointed by the lower house of Parliament itself (Hazell and Morriss 2020: 38-39). This dynamic, in which discretionary exercise of powers provokes their formal removal, is one reason that the powers are diminishing over time.

Norway

Norway's constitutional monarchy is unusual in that it was created by election in 1814 as the Napoleonic wars were ending. The turmoil surrounding the new constitution led to a union with Sweden, in which the two countries were both ruled by the Swedish King Karl Johan, whose rule was blessed by popular election. Consistent with Game 1, the next century witnessed iterated bargaining between king and parliament (Storting). The Constitution framed the terms: the King had a suspensive veto but parliament could over-rule it with a third passage. The 19th century witnessed repeated confrontations in which the monarch yielded, moving eventually to $p(\alpha_{MAX}) = 0$ in our terms.

The first challenge occurred in its very earliest period, when the Storting passed a bill to abolish the nobility. This was accomplished as a simple act of legislation, so that the crown could only suspend through veto but not stop a determined parliament if it passed the bill for a third time. King Karl Johan twice vetoed it, but in 1821, after the third consecutive Storting voted to approve it, the project succeeded when the king yielded to a compromise in which the nobles were indemnified. The King's subsequent proposal to give himself an absolute veto over law was rejected.

This process intensified in the 1860s and 1870s when parliamentary leaders, eventually led by Johan Sverdrup, pushed for ministerial responsibility to parliament. The King would only concede this if he were given the power to dissolve parliament, and a stalemate ensued. Sverdrup used the Riksrett, the Court of Impeachment composed of members of the legislature and Supreme Court, to impeach the ministers for failing to advise the King against unconstitutional monarchical acts, winning the showdown and establishing constitutional monarchy in our terms. As Game 1 explains, the relative power of monarch and elites adjusted gradually over time as key parameters changed.

Because the monarchy survived, it was in position to provide crisis insurance many decades later, as laid out in Game 3. In World War II, a crisis ensued with the large shock of the Nazi invasion. The Germans demanded that the Norwegian King recognize the puppet government led by Vidkun Quisling. The pre-existing lawfully authorized cabinet was divided on the question, as the Nazis promised a peaceful occupation. The king steadfastly refused to recognize Quisling, telling his cabinet that he would resign the throne if they advised him to do so. Everyone saw this act of resistance as a heroic defense of the constitutional order. In our terms, it the King provided a focal point for the cabinet not to give into the eponymous "quisling government." In doing so, the monarchy built up further political capital to be deployed after the war. King Harald, who has been on the throne for three decades, is widely praised to helping the nation through various natural disasters and terrorism crises.

Spain

Spain's monarchy has been established and re-established multiple times, interspersed with two republics and the long dictatorship of Francisco Franco, which ended only with his death in 1975. In the immediate aftermath, Spanish elites decided to restore the monarchy, and Juan Carlos, grandson of the last King, took the throne. There followed a very intense set of constitutional negotiations in which socialists and conservatives had to come to terms. Ultimately it was agreed to reinstall the monarchy. This turned out to be a prescient decision.

In 1981, a set of military officers took over the Congress during government formation, taking the outgoing prime minister and many deputies hostage. Other military figures rose up in

different parts of the country. Juan Carlos then played a critical role in providing crisis insurance. He went on television wearing his military uniform and ordered the armed forces to return to barracks, even as he was communicating individually with key generals, which helped prevent them from coordinating themselves and threatening the survival of the young democracy. The next elections were won by the socialist party, and the monarchy gained an enormous amount of legitimacy. While Juan Carlos' later philandering and tax avoidance have sullied his personal reputation, the institution of constitutional monarchy has survived with Spanish democracy.

The Spanish story also illustrates the role of the powerless monarch in reducing the stakes of losing power. Although the retention of the monarchy was a key demand of conservatives, but was accompanied by a long period of socialist rule. The argument is that the rule of one's opponents is more tolerable if there remains a strong symbol of conservative values, which could mitigate attempts at expropriation.

Sweden

Sweden began the development toward a constitutional monarchy in 1719 with the adoption of an Instrument of Government, secured by the Riksdag of the four estates (the Farmers, the Burghers, the Clergy, and the Nobles). By 1809, the Constitution made clear that ministers were partly responsible to parliament, and incrementally, monarchic power decreased over the next century so that the King no longer exercised powers formally granted (Verney 1958). In 1914, on the eve of the First World War, King Gustav V publicly objected to defense budget cuts, giving a speech to the public in what is known as the Courtyard Crisis. When the Prime Minister told the King he could not intervene in active politics, he refused, leading the Government and many MPs to resign. By 1917, parliamentarism was clearly established, with the reduced monarchic role finally being codified in 1975. That process led to some discussions of republicanism but it was agreed to keep the ceremonial monarchy intact, with $p(\alpha_{MAX}) = 0$.

Instances of crisis insurance by the modern monarchy are rare. One occurred during World War II, when the political parties were divided on a Nazi ultimatum to allow transport through neutral Swedish territory. King Gustav told them he would abdicate if the ultimatum was not

accepted. This tipped the balance, and Sweden was not invaded, but allowed rail transport of troops through its territory. At the same time, the King was a vocal critic of persecution of Jews in Europe.

Thailand

Thailand's Chakri dynasty dates from the 18th century, and was able to navigate the rise of European colonialism to retain independence in the 19th century. In 1932, a bloodless coup eliminated the absolute monarchy, whose person at the time was the relatively weak Prajadhiphok. Led by the People's Party (คณะราษฎร), the coup-makers faced a decision as to whether to eliminate the monarchy entirely or retain it as a figurehead. The dynamics of this decision illustrate a choice between Game 2 and Game 3 in our framework.

The People's Party had two factions, a civilian group around Pridi Banomyong, and a military faction led by Plaek Pibulsongkram. These two factions distrusted each other, and in deliberations among themselves decided to retain the monarchy, without power, as a symbol of national unity and independence. The powerless monarchy played the symbolic function of *integration* in a diverse country, in which Chinese elites held most economic power. Thai politics for the subsequent nine decades has reflected continuous distrust between civilian and military factions, with two dozen coups and coup attempts, and 20 constitutions.

In this endless cycle, the monarchy plays a crucial role. No coup succeeds without immediate submission to (and sometimes prior clearance by) the King, who provides a focal point for society's response. At moments of extreme violence (which are rare but not unknown), the King has been known to intervene publicly. Perhaps most famously, in 1992 King Rama IX called the coup leader General Suchinda Kraprayoon and protest leader Chamlong Srimuang to the literal carpet: video of him excoriating both men caused a de-escalation and an eventual return to democracy. This form of crisis insurance, in which the King reset the bargain after a breakdown between two rival factions. The designers of the 1932 constitutional order were wise in providing for such a scheme.

With the ascendance of the current King Rama X, the monarchy has consolidated its wealth and become more overtly aligned with the repressive government, prompting new calls for republicanism. Rather interestingly, memorials around Bangkok to the success of the 1932 coup seem to be being quietly removed. Military bases named for its promoters are being renamed. As we have seen in Nepal, there may be attempts to shift back toward an absolute form of monarchy; but the King should tread lightly, as history does not have many examples of such shifts being enduring, absent significant oil wealth. In Thailand, $p(\alpha_{MAX}) > 0$ and rising, but Game 1 is likely to be played again with uncertain results.

United Kingdom

The long history of negotiation between the British monarch and nobles is perhaps the paradigm of the bargaining model laid out in Game 1. As recounted in numerous historical accounts, parliament gradually asserted its power to reduce monarchic prerogatives over several centuries (North and Weingast 1989; Boucayannis 2021). The current monarch serves as an effective instrument of integration and common identity at the national and indeed, through the commonwealth, international levels.

The alleged plot against the government of Harold Wilson in 1968, recounted in "The Crown," provides a paradigmatic example of crisis insurance: at least as presented in the show, the Queen foiled the plot to overturn a leftist government in which her cousin, Lord Mountbatten, played a central role.[13] Historians debate the facts but there is certainly some evidence that "The Crown" got it right (von Tunzelman 2007: 372). And there are numerous instances in which the Queen has served as a focus of crisis insurance in the numerous dominions of the Commonwealth, in which political crises are resolved by her or her representatives using "reserve powers" (Twomey 2018).

Summary

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[13] Patrick Sawer (17 August 2019). "Revealed: Full extent of Lord Mountbatten's role in '68 plot against Harold Wilson". The Sunday Times.

These analytic narratives support the thesis of this paper in several key respects. First, they illustrate the capability of constitutional monarchs to provide important services to the nation despite the lack of any formal powers. In different respects over the course of the relevant national histories, we see these monarchs providing crisis insurance when there emerge risks to the country's core values, such as democracy or stability. We see instances in which monarchs protect the rights of minorities, including threats to expropriation and religious symbols, and in so doing have reduced the stake of politics. Finally, most of the constitutional monarchies described here have, at important moments, helped integrate the nation, thereby ensuring its continuation in the face of internal and external threats. Moreover, these narratives provide examples of the monarch, elected representatives, and the citizenry engaging in bargaining in ways consistent with the models of bargaining described above. These narratives thus add useful historical context to the stylized game theoretic model in an earlier section.

5.   Conclusion

Monarchy is an ancient form that has been well-studied. It is understood that economic change undermines the monarch's traditional power over the distribution of land in exchange for defense.   But we do not yet have an account of the stability of *constitutional* monarchy as anything more than a midpoint between absolute monarchy and republicanism.

Through providing crisis insurance and lowering the stakes of political conflict, the retention of a monarch with limited powers can serve the interests of the society. Hence monarchy may be a stable equilibrium, even when national defense needs are minimal and underlying economy has become complex. And so the regression toward an absolute monarchy need not be inevitable, nor is it more likely than not that a nation with a long period of constitutional monarchy will, in the natural course of things, evolve into a republic.

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Appendix

Table A.1: List of Constitutional Monarchies

Country	Founding date
Andorra	1278
Antigua and Barbuda	UK commonwealth
Australia	UK commonwealth
Bahamas	UK commonwealth
Belgium	1830
Belize	UK commonwealth
Bhutan	1907
Cambodia	1993
Canada	UK commonwealth
Denmark	c.750
Grenada	UK commonwealth
Japan	6th century BC
Jamaica	UK commonwealth
Jordan	1946
Lesotho	1822
Liechtenstein	1719
Luxembourg	1443
Malaysia	1948
Monaco	1297
Morocco	1631
Netherlands	1815
New Zealand	UK commonwealth
Norway	1914
Papua New Guinea	UK commonwealth
Saint Kitts and Nevis	UK commonwealth

Saint Lucia	UK commonwealth
Saint Vincent and the Grenadines	UK commonwealth
Solomon Islands	UK commonwealth
Spain	1978
Sweden	1523
Thailand	1737
Tonga	1845
Tuvalu	UK commonwealth
United Kingdom	c. 896

Table A.2: Oldest Constitutions as of 2021 (monarchies shaded)

Country	Age of Constitution (2021)	Adoption year
United States	232	1789
Netherlands	207	1814
Norway	207	1814
Belgium	190	1831
New Zealand	169	1852*
Canada	154	1867/1982*
Luxembourg	153	1868

Tonga	146	1875
Australia	120	1901
Mexico	104	1917
Liechtenstein	100	1921

Table A.3: Best democracies (EIU 2020)

Country	Score
Norway	9.81
Iceland	9.37
Sweden	9.26
New Zealand	9.25
Canada	9.24
Finland	9.20
Denmark	9.15
Ireland	9.05
Australia	8.96
Netherlands	8.96
Taiwan	8.94
Switzerland	8.83
Luxembourg	8.68

Table A.4: Richest countries (2021, IMF Est.)

Country	Per capita income ($100,000)
Luxembourg	131
Switzerland	95
Ireland	95
Norway	82
United States	68
Denmark	67
Iceland	65
Singapore	64
Australia	62
Qatar	59
Sweden	59
Netherlands	58

A.5 Populist vote share

Populist vote share in the national elections of selected European Union (EU) countries as of March 2018*

Country	Percentage of votes
Hungary	65.09%
Greece	54.6%
Poland	51.18%
Italy	50.03%
Czechia	49.6%
Cyprus	35.38%
Slovakia	34.34%
Estonia	32.9%
Lithuania	32.83%
Bulgaria	32.65%
France	27.09%
Austria	26%
Finland	24.78%
Netherlands	22.2%
Germany	21.98%
Spain	21.15%
Denmark	21.1%
Sweden	18.58%
Ireland	17.7%
Romania	9.98%
Slovenia	8.2%
Latvia	6.85%
Croatia	6.49%
Luxembourg	4.94%
Belgium	4.09%
United Kingdom	1.8%

Percentage of votes