

Origins of Early Democracy

Ali Ahmed

New York University

cta230@nyu.edu

David Stasavage

New York University

ds166@nyu.edu

September 2017

Abstract

The idea that rulers must seek consent before making policy is a key component of democracy. Using data from the Standard Cross Cultural Sample, we suggest that this practice evolved independently in a substantial fraction of human societies where executives ruled jointly with councils. We argue that council governance was more likely to emerge when information asymmetries made it harder for rulers to extract revenue from populations, and we illustrate this mechanism with a theoretical model. In such situations, giving the population a role in governance became one means of overcoming these information problems. We test this hypothesis by examining the correlation between exogenous localized variation in potential agricultural suitability and the presence of council governance, obtaining robust results. As a further step, we suggest that executives facing substantial information asymmetries could also have an alternative route for resource extraction - develop a bureaucracy that could measure local variation in productivity and then directly assess taxes. We provide further empirical results to suggest that rule through a bureaucracy could substitute for shared rule with a council.