Missing Discussions:
Institutional Constraints in the Islamic Political Tradition

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Institutional Constraints on Rulers: The Conventional Wisdom

- Large literature in positive political economy: unconstrained rulers will not act in the collective interest $\implies$ need institutions to constrain them
  - North and Thomas 1973; North and Weingast 1989; Persson, Roland, & Tabellini 1997; Aghion, Alesina, & Trebbi 2004; Acemoglu, Johnson, & Robinson 2005; Acemoglu, Robinson, & Torvik 2013...

- Reflects a deep normative/intellectual tradition going back to Aristotle's *Politics*...
  - ... which itself incorporated ideas already latent in the Spartan and Athenian constitutions.
  - These ideas heavily influenced many subsequent writers (Cicero, Polybius, Thomas Aquinas) right up to Montesquieu and Madison.

This Paper: The Motivating Puzzle

There was no such normative/intellectual tradition in the Islamic world.

- (until the 19th century constitutional movement in the Ottoman Empire, and the intellectual current leading to the 1905-1911 Iranian Constitutional Revolution).

This puzzle has been alluded to by scholars of the Islamic world (particularly, Michael Cook and Patricia Crone).

In this paper, we:

1. Document this puzzle and illustrate how distinct Islamic (and Jewish) tradition is from Western (Greco-Roman-Christian) traditions in political thought.

2. Provide an explanation for it.

The Main Argument

Islamic scholars were aware of the problem of tyranny, and familiar with Greco-Roman intellectual ideas.

But there are different ways to constrain rulers other than through institutional design — for example, by **collective action**.

The Main Argument

The wide scope of the divine law in the Islamic tradition
$\implies$ a ruler's deviation from the "right" policy is observable
$\implies$ facilitates collective action.

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Hence, marginal gains of institutional constraints were low in the Islamic tradition compared to Western tradition.

Other cultural elements (*homogeneity* and *solidarity*) reinforces this.

The (Simplified) Model

The Model: Players and Actions

A ruler and a continuum 1 of citizens indexed by $i \in [0, 1]$.

The ruler takes action $a \in \{0, 1\}$ (government policy). Citizens observe a and simultaneously decide whether to revolt.

- Revolt succeeds iff the measure of revolters k exceeds a known threshold $T \in (0, 1)$.
- A successful revolt reverses the government policy from a to $1 - a$.

The Model: Citizen Payoffs

State of the world $s \in \{0, 1\}$, with $Pr(s = 0) = 1/2$.

A citizen's payoff is 1 if the policy matches the state; otherwise -1.

	If $a \neq s$		If $a = s$	
	$k \geq T$	$k < T$	$k \geq T$	$k < T$
revolt	$(1 + \gamma) - c_i$	$-1 - c_i$	$-(1 + \gamma) - c_i$	$1 - c_i$
no revolt	1	-1	-1	1

Table: Citizen payoffs.

- $\gamma \in (0, 1)$ is private participation benefit/cost ("pleasure in agency" (Wood 2003; Morris and Shademhr 2023)). Higher $\gamma \leftrightarrow$ more solidarity.

- $c_i = \bar{c} + \rho \epsilon_i$, $\bar{c} \sim U[0, 1]$, $\epsilon_i \sim F$ with $F(0) = 0$. (equilibrium selection: $\rho \to 0$)

The Model: Ruler Payoffs

Ruler's type: *good* or *bad*. $Pr(bad) = q \in (0, 1)$.

Good ruler is non-strategic and always matches the state.

Bad ruler's payoff depends on his action, the state, and whether there was a successful revolt:

- if there is a successful revolt, he gets 0.

- if takes action 1, he gets 1.

- if takes action 0, he gets $\delta \in (0, 1)$.

The Model: Information

The ruler observes the state s. Citizens do not observe the ruler's type, and they observe the state with probability $p \in [0, 1]$ (truth-or-noise signal):

$$\hat{s} = \begin{cases} s, & \text{w.p. } p \\ \emptyset, & \text{w.p. } 1 - p \end{cases}$$

- Various policy issues, from criminal law (e.g., punishment for burglars) to public finance (e.g., the expenditure of revenue from conquests).
- A policy issue is either *preordained* or *non-preordained*: It is either specified in the "divine law" or not. When a policy issue is preordained, the right policy is known.
- Higher $p \leftrightarrow$ wider scope of the divine law. $\boxed{\text{More}}$

The Model: Timing

1. The nature determines the ruler's type, the state s, signal $\hat{s}$, the common value of costs $\bar{c}$, idiosyncratic costs ϵ_is.

2. The ruler observes his own type, the state s, and $\hat{s}$. Each citizen i observes $\hat{s}$ and his own private cost c_i.

3. The ruler proposes policy a, which the citizens observe.

4. Citizens simultaneously decide whether to revolt.

5. The success of revolution is determined, payoffs are received, and the game ends.

Equilibrium Concept: Perfect Bayesian.

Equilibrium Selection: global games approach ($\rho \to 0$) and we rule out the no-revolt equilibrium.

The Model: Institutional Constraints

Separation of Powers

Everything is the same, except:

- Two rulers with independent types. Rulers observe each other's type.

- First, ruler 1 chooses $a_1 \in \{0, 1\}$. Then, ruler 2 observes ruler 1's action a_1 and chooses $a_2 \in \{0, 1\}$.

- Absent revolt, the government's **aggregate policy** is $A = y(a_1, a_2)$.

- Then, citizens observe a_1 and a_2 and simultaneously decide whether to revolt. Successful revolt reverses A.

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- Naturally, $y(a, a) = a$. What should be $y(a, 1 - a)$?
  - In case of disagreement, one ruler is good ($a = 0$) and one is bad ($a = 1$). Citizens' revolt succeeds with a high probability when there is division among the rulers. So, we assume $A = \min\{a_1, a_2\}$.

- There is a dead-weight loss of $\mu \geq 0$ associated with institutional constraints.

Trade-offs

Characterize conditions under which the citizen's policy payoff is higher with/without institutional constraints.

Revolt Channel vs. Revolt Channel $+$ Institutional Constraints

- **Costs:** Delays in decision-making, administrative costs, etc.

- **Benefit:** When a good ruler is matched with a bad ruler, the bad ruler is controlled.

The scope of the law p and solidarity γ influence the marginal benefit (added-value) of institutional constraints.

Results

Equilibrium: Revolt

Proposition (Boleslavsky, Shadmehr, and Sonin 2021)

In the limit when $\rho \to 0$, the likelihood of successful revolt is

$$H\left((1-T)\gamma(2q'-1))\right)$$

where q' is the citizen's posterior that $a \neq s$ and H is the cdf of $U[0,1]$.

This means:

- When the policy issue is not preordained, no revolt.
- When the policy is preordained,
  - Right policy $\to$ no revolt.
  - Wrong policy $\to$ successful revolt with probability $\beta = (1-T)\gamma$.

Equilibrium without Institutional Constriants

Proposition

The expected policy payoff for a majority citizen is

$$\begin{cases} 1 - q(1-p) & ; \; \beta > 1 - \delta \; \textbf{(deterrence)} \\ 1 - q(1 - p\beta) & ; \; \beta < 1 - \delta. \end{cases}$$

- When the chances of successful revolt is high, the threat of revolt deters the bad ruler. Citizen gets 1 unless the ruler is bad and the policy is not preordained.

- When the chances of successful revolt is lower, citizen gets 1 unless the ruler is bad, except when the policy is preordained and the revolt succeeds $p\beta$.

Equilibrium with Institutional Constraints

> **Proposition**
>
> The expected policy payoff for a majority citizen is
> $$\begin{cases} 1 - \boldsymbol{q^2}(1-p) - \mu & ; \beta > 1 - \delta \\ 1 - \boldsymbol{q^2}(1-p\beta) - \mu & ; \beta < 1 - \delta. \end{cases}$$

Value of Institutional Constraints

Corollary

The value of institutional constraints is:

$$
\begin{cases}
(1-p)(q-q^2) - \mu & ; \beta > 1 - \delta \\[2em]
(1-p\beta)(q-q^2) - \mu & ; \beta < 1 - \delta.
\end{cases}
$$

Substitutability of Institutional Constraints and The Scope of the Law

Proposition

There is threshold $p^*(\gamma, q, \mu)$ such that a majority citizen's policy payoff is higher without institutional constraints if and only if the scope of the divine law $p > p^*$, where

$$p^*(\gamma, q, \mu) = \begin{cases} 1 - \frac{\mu}{q(1-q)} & ; \beta > 1 - \delta \\[2ex] \frac{1}{\beta}\left(1 - \frac{\mu}{q(1-q)}\right) & ; \beta < 1 - \delta. \end{cases}$$

Complementarity of the Scope of the Law and Solidarity

Proposition

There is a cost threshold such that the majority citizen's policy payoff is higher without institutional constraints if and only if $\mu > \mu^*$. Moreover,

1. μ^* is strictly decreasing in p, and weakly decreasing in γ; strictly so when $\beta < 1 - \delta$.

2. Suppose $\delta < T$, so that there is sufficient conflict of interest that the threat of revolt does not deter the bad ruler. Then,

$$\frac{\partial}{\partial \gamma} \frac{\partial \mu^*}{\partial p} < 0.$$

Constraints and Ruler Duration

- Blaydes and Chaney (2013): in the early middle ages a divergence took place between the Islamic and Western worlds - in the latter rulers stayed in power for longer.

$$\text{Feudalism} \implies \text{Institutional constraints} \implies \text{political stability (less revolt)}$$

- In our theory, **institutional constraints and instability are jointly determined.**

- In the Islamic world, institutional constraints were not there because accountability through the revolt channel (instability) was more effective.

  - consistent with the positive (negative) correlations between institutional constraints and ruler duration (revolt).

Islamic Political Instability

FIGURE 1. Divergence Between Ruler Durations in the Christian West and Islamic Worlds
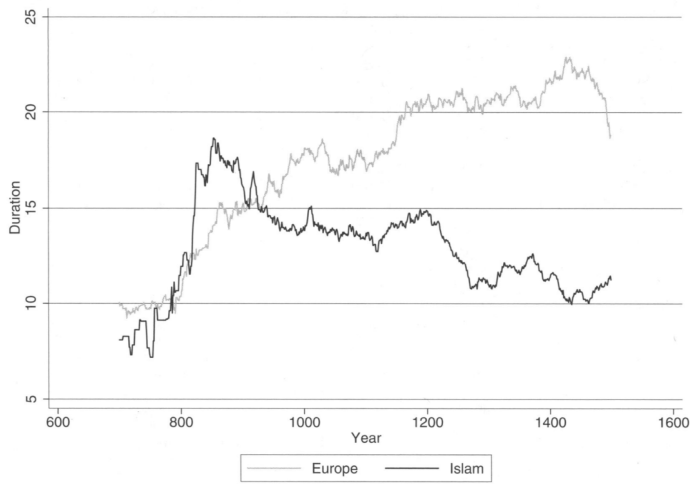
Note: The darker line denotes the 100-year moving average for the Islamic world whereas the lighter line denotes the moving average for the Christian West.

Rebellion and Constraints in Equilibrium

Proposition

Suppose that $p^* \in (0,1)$ and that $\delta < T$, so that there is sufficient conflict of interest and the threat of revolt does not deter the bad ruler. Focusing on the scope of the law p as the only source of variation, the equilibrium probabilities of revolt attempts and successful revolt are both lower in societies with institutional constraints. Formally,

$$\mathbb{E}[pq/2 \mid p > p^*] > \mathbb{E}[pq^2/2 \mid p < p^*]$$

and

$$\mathbb{E}[pq\beta/2 \mid p > p^*] > \mathbb{E}[pq^2\beta/2 \mid p < p^*],$$

for a given q.

Conclusion

Difference between the "Greco-Roman-Christian" and "Judeo-Islamic" civilizations were both in equilibrium institutions and in political thought.

Puzzle: Where are discussions of institutional constraints in the Islamic civilization?

An Explanation: The scope of divine law and institutional constraints.

- **Institutional constraints and divine law are substitutes:** wider divine law facilitates constraining rulers via collective action, reducing the value of institutional constraints.
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- **Solidarity and divine law are complements.** Solidarity improves the means of revolt; divine law reduces the uncertainty about its desirability. More

- **Institutional constraints and stability are positively correlated**, but the direction of causality goes both ways. More

Thank you!

Justifying the Assumptions

Scope of Divine Law in Islam

Did Muslim thinkers believe that there is such a thing as Islamic law (despite various interpretations and disagreement) and that it had a wide scope?

Ibn Rushd (Commentary on Aristotle's *Rhetoric*):

> Perhaps the laws instituted in these cities were *definite, invariable, and permanent*, as in the case of our Islamic law. And perhaps these cities did not have definite laws, but the matter was delegated to those who held the power, depending on what was more useful at each moment, as in the case of Byzantine laws

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Ibn Khaldun (*Muqaddamah*):

The religious laws govern all (governmental positions) and apply to each one of them in all its aspects, because the religious law governs all the actions of human beings. Jurists, therefore, are concerned with the rank of ruler or sultan and with the conditions under which it is assumed...Furthermore, (they are concerned with the causes) that necessitate (the ruler's) removal, should (such causes) present themselves, and with other things connected with the ruler or sultan.

The stagnation of per-capita Real Tax Revenues of the Ottoman State

Hallaq (2014): "The benchmark of taxation was the Sharʿī-stipulated rates…taxation could be determined by fixed and objective criteria, and thus overtaxation was relatively easy to evaluate and dispute in a Sharʿī court."
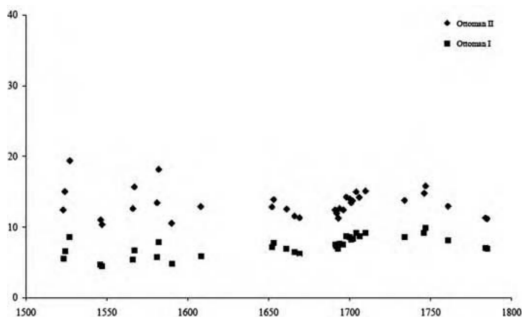
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FIGURE 2
REVENUES PER CAPITA OF THE OTTOMAN CENTRAL ADMINISTRATION
(in grams of silver)

Law and Collective Action

Did some rebels invoke the violation of the law as a key reason for their revolt?

- Michael Cook (*Forbidding Wrong in Islam*, 2003):

  In no other civilization was rebellion for conscience sake so widespread.

- Cook (*Ancient Religions, Modern Politics*, 2014):

  It is their knowledge of this law that enables the believers at large to judge the rectitude of the caliph and take action where necessary.

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Rulers are Constrained by Revolts

- A "citizen" to the second caliph: "we will straighten you out with our swords".

- Cook (2014): such early stories reflect "a political culture in which it is not just conceded that subjects are entitled, and perhaps obligated, to act in such ways; they are portrayed as ready to do so at the drop of a hat."

- Among the problem of the Umayyad caliphs, an opponent argued, was that they claimed "The land is our land, the property is our property, and the people are our slaves."

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Solidarity and Equality

- Muslim's responsibility to "enjoin what is good and forbid what is wrong" (Quran 31:17).

- Muslims are "like a body, parts of a whole", with no caste or aristocracy.

- "We have created you from male and female and made you peoples and tribes that you may know one another. Indeed, the most noble of you in the sight of Allah is the most righteous of you" (Quran 49:13).

- "Indeed, Muslims are brothers" (Quran 49:10).

- "remember the favor of Allah upon you, when you were enemies and He brought your hearts together and you became, by His favor, brothers" (Quran 3:103).

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Revolts are Common

Revolts occurred routinely after Muhammad.

- The third and fourth caliphs, 'Uthman and 'Alī were both assassinated.
- 'Alī was engaged in separate battles with three different groups.
- The Second Civil War (680-692): revolts of Husayn Ibn Ali, Tawwabin, Mukhtar, and Abd Allah ibn al-Zubayr.
- The Third Civil War (740s) blended into the fourth Civil War, the 'Abbāsid Revolution.

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Juristic Writings in the 11th Century

- Mawardi (972-1058): justifies *imārat al-istīlā*, in which "the governor of a province, instead of being appointed and revocable by the caliphs, imposes his rule by force" (Gibb 2014).
- Juwayni (1028-1085): frames imamate as a political position, calls Nizam al-Mulk (1018-1092) to take over the imamate.
- Ghazali (1058-1111): starts pushing *jurists* as a piece of ruling body, to be taken further by Ibn Taymiyya (1263-1328).

Philosophical Writings

- Farabi (870-950): reinterprets Plato's *Republic* in Islamic terms.
- Ibn Sina (980-1037) and Ibn Rushd (1126-1198) follow suit.

Mirrors for Princes (*Sīāsat Nāmih*)

- Ibn Muqaffa (720-759): advocates that the ruler imposes consistency in law and argues that the Imam's opinions and policies must be followed unless they explicitly contradict God's orders.
- Nizam al-Mulk (1018-1092): "The ruler should follow God's law and respect religious scholars and the pious."

Attempts to Control the Law

Caliphs attempted to control the divine law, but failed. From Cook (2014):

By locating the power to legislate outside the political system, it denied to rulers the ability to make law to suit their fancies. It is thus a significant point about the Shari'a that ... it is in principle the antithesis of the legislative autocracy or a traditional patrimonial state or a modern dictatorship.