Democracy, Development, and Career Trajectories of Former Political Leaders

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Abstract

One of the obstacles to democratic development is the reluctance of political leaders to leave office. This paper argues that alongside democratic constraints and accountability, leaders' career concerns — specifically, the possibility of post-tenure careers — is an important factor behind their rotation in office. While literature exists about leaders' exit and fate, we lack a systematic understanding of their careers and whether former rulers retire, remain in politics, pursue civil service, business, international, or non-profit careers after leaving office. Drawing on the new data on the prior and post-tenure occupations of leaders from 1960–2010, the paper explains how democracy, personal background and the economy influence what ex-leaders can do, and why. In turn, over time the post-tenure careers of prior rulers may strengthen the precedent behind the institutional routinization of the rotation in office norm — an important component of democratic consolidation.

Key Words: leadership, comparative democratization, career concerns, rotation in office, data on leaders

The decision of the former German Chancellor Gerhard Schröder to join the board of Nord Stream, a gas pipeline operator, after he left office caused considerable criticism at the time. Vladimir Putin of Russia, whose Gazprom company was one of the pipeline owners, did not opt for a private career when his term expired and instead remained in politics, returning to the presidency in 2012. Schröder pointed out that there was "certainly a difference between being head of state in Russia or a democracy like France or Great Britain," and defended his own career change, arguing that "the minute a chancellor leaves office he becomes a private citizen, especially when he is a lawyer and of an age when work is still somewhat of a necessity. ... Your ideas about a former member of the government are pre-democratic."[1] Indeed, the presence of former leaders engaged in public and private careers after office is common in democracies across the world. In contrast, rulers of less democratic and less developed nations are generally more likely to remain in politics and, if they retire, to experience immunity problems. While scholars have studied leaders' exits from office and their fate (e.g., Bueno de Mesquita, Smith, Siverson, & Morrow, 2003; Escriba-Folch, 2013; Goemans, 2008; Svolik, 2012), little is known about what former leaders can accomplish in retirement and, more importantly, whether their fate and careers have any implications for democratic development.

The general aim of this paper is to go beyond the question of the determinants of ill fate and examine in detail what positive fate in retirement entails, drawing on original data on the occupations of all leaders prior to and after office from 1960–2010. In brief, because democratic leaders are less likely to suffer an ignoble fate, one of the effects of democracy, therefore, is to have a considerable number of ex-leaders, perhaps "sighing for a place which they were destined never more to possess" (Hamilton 1999 [1788], p. 412). In contrast, non-

[1] *Spiegel*, 23 October 2006. "Interview with Ex-Chancellor Gerhard Schröder: I'm Anything but an Opponent of America" (accessed September 17, 2014). Schröder joined other boards, e.g., TNK–BP, and various consultancy roles (Student & Werres, 2010).

democratic leaders often cannot foresee good fate and careers after office, which in turn may influence their behavior in that office and their reluctance to leave. Still, many former non-democratic leaders, particularly those in party and military regimes, may also achieve a positive fate in retirement (Escriba-Folch, 2013). We do not know if such leaders fully retire or pursue political, diplomatic or other roles,[2] and whether their post-tenure record may ease the cost of leaving office for their successors. In general, among those who depart in an orderly manner in democratic and less democratic regimes, there is considerable variation in whether they stay in politics, pursue careers in business, civil service, or non-profit and academic sectors, international organizations, or whether they retire from public and private careers altogether.

The contribution of the paper goes beyond the effects of democracy literature, however: a better understanding of the post-tenure careers of leaders may further illuminate how democracy becomes self-sustaining, and improve on the explanation for the elite acceptance of democratic norms. In brief, leaders who can realistically foresee future careers after leaving office — an expectation that is reinforced by observing prior ex-rulers with good fate and post-office careers — will find departures from power easier and by leaving, re-enforce democratic rotation. The paper, therefore, underlines an additional causal mechanism behind compliance with democratic norms. The question is not trivial: many prominent theories of democracy emphasize the importance of rotation in office — one of the factors behind democratic consolidation — and equally focus on the gains or losses expected by elites in the event of losing power (e.g., Acemoglu & Robinson, 2006; Huntington, 1991; O'Donnell & Schmitter, 1986; Przeworski, 2005, 2015; Riker, 1982). The policy community equally recognizes that post-tenure careers of former leaders are important for democratic consolidation; organizations exist — e.g., the

[2] E.g., Echeverría (1970–76) of Mexico worked briefly as an ambassador (Lentz, 1994, p. 551), Lee Kuan Yew (1959–90) of Singapore served as party leader and minister in retirement.

Club de Madrid — that even seek to promote such careers as the global norm.[3]

The section below introduces the new data on careers of leaders and offers a first account of the determinants of such careers in comparative perspective. The subsequent section turns to the main argument on post-tenure careers, rotation in office, and democracy, i.e., the careers are considered as the explanatory factor behind peaceful departures from office, not as the outcome to be explained. Next, I turn to assess whether the successful careers of former rulers — particularly of the first post-independence leaders — in turn strengthen the institutional routinization of the rotation in office norm and, therefore, democracy.

What Can Political Leaders Do After Leaving Office and Why?

What can former political leaders do after leaving office? In a recent discussion, Theakston (2012) distinguishes between three careers after departure: ministerial and other political pursuits, moneymaking, and international. In contrast, Anderson (2010, p. 69) proposes that ex leaders can remain in public office (whether national or intergovernmental organizations), turn to business, the non-profit sector, or retire. In turn, Baturo (2014, p. 102) divides former presidents' occupations into four broad categories: predominantly retirement, including nonprofit activities; political and public service; international; and business. These categorizations, however, ignore the possibility that some leaders may engage in more than one occupation; they also lump distinct occupations into single categories: e.g., ignore differences between political and civil service careers, or between *intergovernmental* (e.g., NATO) organizations and the international *nongovernmental* initiatives. Such taxonomies also omit certain categories and,

[3]The Club de Madrid, launched in 2001, had in 2015 close to a hundred former leaders who "carry with them a wealth of accumulated experience that they are happy to share with the world at large ... They constitute a human resource that they are ready to put at the service of the whole of humanity." See http://www.clubmadrid.org, accessed 21 March 2015.

more importantly, rely primarily on a series of illustrative examples instead of the actual data.

To date, therefore, we lack a systematic understanding about what the former leaders can accomplish in retirement, i.e., what they do beyond achieving "positive" fate. Short of the influential early study of leaders' careers by Blondel (1980), the majority of existing scholarship on former leaders is limited to particular nations (e.g., Bernado & Weiss, 2009), regions (Brooker, 2004), and regime types (Kirk-Greene, 1991), or relies on illustrative examples (Anderson, 2010; Theakston, 2012). Arguably, one of the reasons as to why comparative politics lacks in theories on leaders' career trajectories, including their post-tenure careers, and how the latter relate to what leaders do in office, is the absence of comparative data. Therefore, this section introduces the original data that covers all national political leaders and their post-tenure careers in the 1960–2010 period, as explained in more detail in the supplementary appendix, and provides the first account of the determinants of such careers.

Discarding the most immediate period after leaving office when leaders almost always take some time off, their post-tenure occupation is divided into six broad categories. First, they can simply retire from public life or private careers altogether. Second, continue a political career such as that of party leader, senator or member of the lower chamber, as Raúl Alfonsín (1983–89) of Argentina. Third, return to or begin a predominantly business career, including the membership of corporate boards, such as the above mentioned Gerhard Schröder. Leaders can also opt for a career in an intergovernmental organization, such as Alpha Oumar Konare (1992–2002) of Mali who assumed the chairmanship of the Commission of the African Union. Fifth, they can choose a non-profit or academic career by becoming a university academic — as Ricardo Lagos (2000–2006) of Chile did; or participate in or, more often, head a nongovernmental organization or foundation, as Bill Clinton (1993–2001) of the USA did. Sixth, the leader can also assume some public office such as the post of ambassador, as Virgilio Barco

Vargas (1986–90) of Colombia did briefly after office. Oftentimes, the post-office categories are not mutually exclusive. For instance, Paul Martin (2003–6) of Canada later served as a legislator while simultaneously working on various non-profit initiatives.

Altogether, there are 1,171 former leaders from 1960–2010 who are not killed, or die in office or shortly thereafter. Figure 1 displays summary statistics of various post-office careers. Excluding leaders with a negative fate, i.e., in exile or jailed, almost half continue in politics in some capacity, while the other half retire fully or pursue other careers: 10 percent turn to non-profit or academic, eight percent — business, seven percent — public service, and four percent — international organizations. Almost one leader in every three fully retires.

What explains whether former leaders remain active in retirement, and what careers they are likely to pursue? Figure 1 reveals that former leaders in more democratic and developed nations tend to opt for different post-tenure careers than those in less democratic and less developed countries. The latter are more likely to turn to civil service occupations (e.g., diplomats), or remain in politics than to pursue international or business careers. Like other political actors, ex-leaders may be more likely to either remain in politics or perhaps work in civil service when their nations have lower rates of economic development. We know that in relative terms the average rate of governmental pay in developed nations is only about twice the average income, while it is at least four times as high in less developed nations (Heller & Tait, 1983, p. 45). In contrast, leaders may be more likely to go into the private sector in more economically-vibrant economies where returns from such activity are higher (Eggers & Hainmueller, 2009).

Furthermore, from the research on leadership, we know that the personal traits of leaders influence their policies and behavior in office (e.g., Besley, Montalvo, & Reynal-Querol, 2011; Colgan, 2013; Dreher, Lein, Lamla, & Somogyi, 2009; Hayo & Neumeier, 2014; Horowitz & Stam, 2014; McDermott, 2007); we also know that former politicians often return to their pre-

vious professions (Diermeier, Keane, & Merlo, 2005). Figure 1 (upper right) shows that many ex-leaders indeed resume their previous careers, or in the case of career politicians — remain in politics after departure. Prior background does not determine their future careers, however: for example, the majority of ex-leaders with prior experience in international organizations (IOs) choose other pursuits after office. Instead, the number of IOs of which a country is a member may simply create more opportunities for ex-leaders — whatever their prior background — to pursue an international intergovernmental or non-profit career in retirement.

In his seminal work on leadership, Blondel (1980, pp. 195–216) distinguishes between three distinct careers: linear, in which career politicians move up until they reach the summit and retire fully afterwards; bell-shaped, where national office is preceded and succeeded by a different career; and rotating — where leaders remain in politics after office, sometimes returning to office again. Indeed, many leaders in parliamentary regimes will have rotating careers as they may remain in politics after office and serve repeated stints as prime minister (Samuels & Shugart, 2010). In contrast, in presidential regimes, future political careers are often prevented by term limits. Therefore, former presidents are more likely to have linear or bell-shaped careers. Still, many presidential regimes only bar consecutive re-election, leaving the possibility of a future return after the interim term. Additionally, leaders who serve as *interim*, often return to their old stations, typically in the supreme court or central bank.

As an initial test of whether democracy, development, in addition to personal background — as discussed above — explain whether former leaders turn to post-tenure careers, and if they do, what occupations they are likely to choose, Table 1 includes several model specifications to that purpose. The results presented in columns 1–5, Table 1 are estimated following a series of probit models with selection and exclusion restriction. The dependent variable in the first-stage takes the value of one for any post-tenure career versus leaders who fully retired, went into

exile, were arrested or jailed. Indeed, before leaders can choose what to pursue after office, they must have the opportunity of such a choice: they can be too old or infirm, discredited or punished for their misdeeds in office. Therefore, the explanation must first account for the possibility of post-tenure careers, for the reasons for or manner of departing from office. *Irregular entry* into office, *Coup exit*, as well as the change in *Polity2* over leader tenure are included to account for possible immunity concerns. Leaders who are replaced in, or seized power in, a coup, or who reduced democratic freedoms will be more likely to fear for their immunity and be unable to pursue any career. In contrast, those who expanded democratic freedoms, even if they entered office in a dictatorship (e.g., Lee Teng-hui of Taiwan), will be better placed. Because physical attributes, such as age, will be correlated with the state of the individual's health, *Leader's age* is included. Also, *Polity2* and *Income*, logarithm — both for the last year in office are included. As yet another predictor, the number of previous leaders with careers in retirement will account for possible demonstration effects. All variables are detailed in the appendix.

[Figure 1 ABOUT HERE]

[Table 1 ABOUT HERE]

In the second stage, we estimate whether leaders who *not* retired choose to pursue a particular career. Each separate model is fitted to predict one distinct career, for five post-tenure occupations. For instance, a binary dependent variable model that explains international careers (columns 4 and 8), compares them with business, political, civil service, and academic careers lumped together. If a particular leader is recorded as having two post-careers, they feature in two separate specifications that predict alternative occupations. In the appendix, a multinomial logit regression is fitted for robustness. The unit of analysis is a leader in the year of departure from office; models use robust standard errors clustered by country.

In addition to the selection models, columns 6–10 display the results of probit models where only leaders who have some kind of post-tenure career — who choose "active" pursuits — are compared between one another, excluding leaders without careers. To predict post-tenure careers, *Polity2*, *Income* and *International membership* are included. Also, *West* is included to distinguish between the effects of economic development and those of the Western cultural area. To account for the utility of remaining in politics after leaving office and, therefore the likely career trajectory (Blondel, 1980), as discussed above, *Interim*, *Parliamentarism*, and *Term limits* are included. The latter are measured as life-bans, i.e., those permitted to run after an interim period are not coded as facing limits even if they are banned for an immediate term.

Furthermore, five indicators are included to categorize *predominant* prior careers, such as that of *Businessman* or *Public servant*. While the majority of leaders serve in some political post prior to entry into the highest office, those categorized as *Career politician* serve 19 years on average in formal posts as opposed to only six years amongst those not categorized as such. Also, since the quality of education may be a factor behind future non-profit and academic careers, *Western university* degree is also included. Additionally, leaders' personal level of wealth may influence whether they decide to pursue another career in retirement.There exists, however, no reliable data on whether leaders were independently wealthy, or whether they amassed their fortune while in office (Transparency International, 2004, p. 13). As a proxy for leader's social status and therefore likely financial circumstances, I include an indicator for *Family, upper class* instead. All leader-related variables are coded by the author.

The first stage results (below *Selection*) in columns 1–5 of Table 1 testify as to the importance of democracy and development in the decision of leaders to remain active in retirement. Younger leaders, those not deposed in a coup and who come to power in a regular manner, are less likely to retire fully or experience an exile or worse, and more — to pursue careers.

In turn, the second-stage results in columns 1–5 as well as those in 6–10 explain leaders' distinct careers. In brief, former leaders are more likely to turn to for- or non-profit activities in more democratic settings, and to choose civil service in less democratic ones. Former leaders in Western countries are more likely to opt for business and civil service careers, and they are less likely to remain in politics. Omitting *West* also renders *Income* a statistically significant predictor of business careers which suggests that it is Western wealthy nations, not wealthy nations in general, that feature such careers. Also, the higher number of IOs of which a country is a member increases the chances of academic and non-profit careers that may or may not be international, as well as of intergovernmental ones.

Institutions also matter as those formally prevented from running for office again (*Term limits*) are less likely to remain in politics: clearly, leaders only do so in the hope of returning to the highest office in the future. In contrast, many former leaders of parliamentary regimes remain in politics after leaving their *premierships*. In turn, *Interim* leaders often return to their previous professions in the civil service. Prior careers are also important across almost all categories as many former leaders gravitate toward their previous occupations.

Because the aim of this section was to offer a typology of leaders' careers and introduce the new data that can be relied upon in the main section of the paper that follows, I eschewed a more detailed discussion of the determinants of post-tenure careers and instead fitted several parsimonious models to test the data validity.[4] In brief, controlling for factors that may bring about negative fate and render post-tenure careers impossible, the strength of democracy, economic development, regime type and institutional constraints, as well as personal traits, matter.

The results displayed in Figure 1 and Table 1 make it clear that former leaders in more

[4]Future research may examine whether policies in office are associated with particular post-tenure careers, or build a theory behind prior- and post-tenure careers, or study what leaders' careers can tell us about accountability or corruption.

democratic nations are "more active" in retirement. Indeed, because the rule of law protects their status from arbitrary prosecution, one of the likely effects of democracy is to have a considerable number of ex-leaders who are able to pursue post-tenure careers. Admittedly, the effects of democracy on such careers and fate are not unequivocal as an independent judiciary may in fact enable the prosecution of such former leaders if necessary. More importantly however, the association between democracy and "active" leaders in retirement, the direction of causality, needs to be investigated further, as argued below. We know that the expectation of negative fate may increase the reluctance to leave office and in turn deter transition (Escriba-Folch & Wright, 2015). Can we expect that the post-tenure career opportunities available to former leaders will have a different, mitigating effect instead?

The *Archigos* dataset (Goemans, Gleditsch, & Chiozza, 2009), that accounts for whether former leaders experience jail, exile, death, or positive fate, up to one year after departure, made systematic examinations of the negative fate possible (e.g., Escriba-Folch, 2013; Goemans, 2008). The new data introduced herein trace what former leaders can achieve if their fate is positive and what happens to them *after* one year, allowing scholars to go beyond the question of negative post-tenure fate and understand the consequences of losing office fully.

Democracy, Rotation in Office, and the Post-Tenure Careers of Leaders

In a speech before the African Union in 2015, President Obama identified as, and addressed head on, one of the most important and enduring malaises of governance on the African continent — the reluctance of incumbent presidents to leave office when their term is up. Obama urged his peers not to seek an additional term in office: "And this is often just a first step down a perilous path. And sometimes you'll hear leaders say, 'Well, I'm the only person who can hold the nation together.' If that's true, then that leader has failed to truly build their nation." With tongue-in-cheek, he also underlined his lack of understanding of leaders' reluctance to

leave office, "especially when they've got a lot of money." "I'll be honest with you ... I'm looking forward to life after being president. ... I can find other ways to serve."[5] The chagrin of the U.S. President is understandable given his own nation's long democratic tradition and the institutionalized rotation in office widely accepted by political elites as the norm. However, the sentiment expressed in his speech also suggests that this norm may also be buttressed by the expectation of a worthy occupation or cause after leaving office that democratic leaders take for granted, i.e., an expectation of a post-tenure occupation that equally resembles a norm. President Obama could draw from the record of his predecessors, i.e., whether the predominantly non-profit career upon which Jimmy Carter embarked (Brinkley, 1996), or the combination of Bill Clinton's business and charitable pursuits (Schweizer, 2015), i.e., categories discussed previously. In contrast, only some — not all — incumbent leaders in his intended audience could obtain similar cues about their likely fate from their own predecessors in the same office or peer rulers in neighboring countries.

Barack Obama was not alone in his concern. A recent review of leaders' careers underlines that the question of compliance with norms, such as the acceptance of "the normality of leadership-retirement," is an important and understudied "aspect of democratic consolidation" (Theakston, 2012, p. 140). In a number of less democratic and less developed nations, citizens and policymakers alike are increasingly concerned with the reluctance of heads of states and governments to leave office; such concerns even prompted philanthropists to attempt to incentivize leaders to depart (Auletta, 2011, p. 49). In such countries lacking in democratic culture and without a history of compliance with democratic norms, the strength of institutions and constraints alone cannot explain whether leaders will comply with such norms. In fact, many

[5]See Peter Baker. "Obama Deplores Africa's Perpetual Potentates." *New York Times*, 29 July 2015, A1.

existing tools to measure democracy rely on observed executive turnover, i.e., rotation in office (Przeworski, Alvarez, Cheibub, & Limongi, 2000, pp. 23–28), not the other way around.

Many influential theories of democracy underline the crucial role of informal and mutually shared expectations about compliance with norms such as that with electoral turnover in office (Przeworski, 2005, 2015; Weingast, 1997). Indeed, democracy is consolidated when there is a high degree of "*institutional routinization*," when actors comply with existing norms (Linz & Stepan, 1996, p. 10) so that alternation in office in elections becomes natural (Przeworski, 2015, p. 102); the adherence and habituation to particular norms can be reinforced by the observation of repeated compliance with such norms. Such informal acceptance of a rotation in office may be as important as the strength of formal institutions. In democracy, elite compliance with norms is a matter of routine and, therefore, difficult to explain (Przeworski, 2015). Riker (1982, 6–7) pointed out, however, that historically, many democratic freedoms taken for granted in fact stem from politicians' selfish concerns over their own post-tenure fate. Also, an illustration from a setting where such compliance is far from routine may suggest what might ease the fears of alternation in power. The peaceful transfer of power in May 2015 in Nigeria from the incumbent, Goodluck Jonathan (2010–15), who sought a second term but lost in single percentage points to his challenger, Muhammadu Buhari, may appear remarkable when his acceptance of defeat is contrasted with many contemporaneous African rulers doing their utmost not to concede defeat and overturn term limits if necessary. However, this regular departure becomes much less surprising once we take into account that Nigeria is quite different from the majority of sub-Saharan nations with former rulers exiled or worse, in that it featured what was described as an "army" of former rulers active in public life and political parties, running their own business and enjoying private wealth in retirement (Akinrinade, 2006, p. 282). Nigeria, whose peaceful transfer of power was praised by President Obama in the same 2015 African

Union speech, in terms of its former presidents' post-tenure record was not that dissimilar to the US where rotation in office is considered axiomatic. In fact, President Jonathan lost to Muhammadu Buhari — a former ruler himself (1983–85) (Lentz, 1994, p. 598).

A number of prominent theories of democracy place at the center of their analyses the calculation of gains and losses by elites in the event of their losing power (e.g., Acemoglu & Robinson, 2006; Boix, 2003; Huntington, 1991; O'Donnell & Schmitter, 1986). Political elites are more likely to accept democracy and depart from power if they are not afraid of redistribution (Acemoglu & Robinson, 2006) or worried about their fate and immunity after leaving office (O'Donnell & Schmitter, 1986; Przeworski, 2015). There is also a growing literature that focuses on the negative consequences of leaving office behind (Baturo, 2014; Escriba-Folch, 2013; Escriba-Folch & Wright, 2015; Goemans, 2008). If leaders are influenced by the expected losses after departure, they may, however, be equally influenced by the expected gains, i.e., turnover in office may be facilitated by the opportunities presented in political afterlife.

One of the clear benefits that may mitigate the loss of the highest political office is the availability of career options in retirement. Scholars have long recognized that the objectives of political actors also include monetary concerns or the possibility of other careers (e.g., Diermeier et al., 2005, p. 347). The argument advanced in this paper therefore goes beyond the above mentioned accounts that focus on leaders' concerns over their negative fate. In a sense, it offers a more nuanced view of what may happen to former leaders in retirement. The argument is predicated on the assumption that political actors will consider not only the costs — i.e., negative fate — but also the expected benefits. In turn, the expectation of good career opportunities after leaving office will make departures from power easier. Therefore, while the argument is centered on the consequences of good fate, such fate is not a mere opposite of a

negative fate, i.e., a peaceful retirement free from prosecution.[6] It often entails much more than that: a productive career in public or private sector that may even rival in prominence the prior occupation as head of state, as that of the President of the European Council, former Polish Prime Minister, Donald Tusk, or that of Jimmy Carter (Brinkley, 1996). Such careers are also not exclusive to the Western nations.

Consider Botswana, often lauded as a successful case of development (e.g., Acemoglu, Johnson, & Robinson, 2003). Since 2008, there have been two living former presidents, Quett Masire and Festus Mogae, both working as international statesmen and on business ventures during retirement. Masire — who reportedly referred to himself as "a farmer on loan to politics" (quoted in Poteete, 2009, p. 557) — managed his own cattle farms after office and served on mediation and peacekeeping initiatives, e.g., as a chair of the Organization for African Unity

[6] In contrast to the *Archigos*, the post-tenure record herein is conceptually different from the good fate: it excludes full retirement from public and private life and measures fate beyond one year after office. Consider an imaginary scale from a negative to a more positive fate. On such a scale, individuals presumably pass from death to arrest and imprisonment, to exile, to a positive fate ("OK" in the *Archigos*). In turn, such positive fate may be further disaggregated so that the same scale continues with the individual passing full retirement, post-tenure careers, then highly prestigious post-office occupations only. Where to place a cut off point for a positive fate is a modelling decision. First, it may simply be any non-negative fate. Second, a positive fate may also include exile since an exile with ill-begotten private wealth intact may equally be regarded as good fate. In contrast, a retirement without wealth and high status may be perceived as worse than exile by many a ruler. Third, only high-status occupations in IOs or business may be regarded as positive fate, as opposed to any career, e.g., low-paying civil service job as that of Alexander Dubček (Lentz, 1994, p. 218). Also, the post-tenure fate is not necessarily a one-dimensional concept, as one may be in exile and pursue a career. Mikheil Saakashvili (2004–13) of Georgia, who faced criminal charges and left for exile, in 2015 was appointed as regional governor in Ukraine. Clearly, his fate may be categorized as either positive or negative.

panel on Rwanda. Similarly, Mogae found employment as a business group chairman, also turning to various international initiatives, e.g., as Special Envoy of the UN Secretary-General on Climate Change. Furthermore, the Office of the President formally includes the department of former presidents which is well-funded and staffed (Good & Taylor, 2006, p. 57). Botswana is not unique. Figure 2 indicates that while having former leaders with post-tenure careers in the West has always been the norm, with 75–90 per cent on average remaining active in retirement from 1960–2010, among non-Western leaders the practice has grown from 40 per cent in the 1960s to 70 per cent more recently. In fact, many former leaders find prominent roles in various international initiatives; they profit from book contracts, consulting, public lectures, and membership on corporate boards. Their remuneration for public talks can be considerable, e.g., rivaling the annual salary of the head of state.[7]

Therefore, provided suitable career opportunities exist, leaders will be less reluctant to leave office as they did in two illustrative examples of Nigeria and Botswana, not only because of constraints and accountability mechanisms but also because they can realistically foresee future post-tenure careers. Anderson (2010, p. 74) suggests that "the new sets of incentives and opportunities for political afterlives in a globalized policy world" may have an effect on leader behavior while in office, or ease their reluctance to leave office. In fact, the existing schemes to provide monetary incentives — e.g., the Ibrahim Prize for Leadership — or to socialize former rulers in international forums — e.g., the Club de Madrid membership — are apparently predicated on the idea that leaders need to foresee tangible post-tenure benefits. As a first test of the argument, Table 1 in the previous section included *Ex-leaders' careers*. The results indi-

[7]Declan Ganley reports €50,000 per appearance in "Walesa Was Paid to Address Libertas Delegates," *The Irish Times*, May 7, 2009. The London and Washington Speakers' Bureaus list 18 and 11 former leaders, respectively. See `http://www.londonspeakerbureau.com/` `http://www.washingtonspeakers.com/`, accessed 25 March, 2015.

cated that departing leaders who are able to observe whether their successful predecessors have careers in retirement, are themselves more likely to follow suit. Drawing on the same data on leaders' post-tenure careers, a simple back-of-the-envelope calculation reveals that from 1960–2010, the former leaders in developing nations who left office regularly, i.e., who complied with term limits or honored the election results after losing them, were preceded on average by 49 per cent of predecessors with "good" fate and careers after office. In contrast, those who were ousted — many because of their reluctance to leave — only had 25 per cent of "good" predecessors on average, i.e, the ratio of two-to-one. It is therefore conceivable that the ability to observe one's predecessors with good careers in retirement makes incumbent leaders more certain about their own future fate. Continuing with the example of Botswana, while rotation in office in that country is facilitated by leaders' adherence to democratic norms and institutionalized succession under the ruling party, *BDP*, arguably, for the outgoing Mogae in 2008, the admirable fate and post-office career of his predecessor, Masire, could have also served as a cue for his own likely fate. In turn, the fate of both leaders could equally facilitate the succession of Ian Khama (2008–) in the future. Over time, regular departures re-enforce democratic rotation, and therefore, contribute to the democratic consolidation.

Even though all politics is local, as the saying goes, all politics may also be personal. While a potential turnover in office may usher in a different government with different policies that in turn may affect a whole country, the expectation of such turnover may equally fill an incumbent leader, who at the time may have legitimate fears of retirement, with dread. Przeworski (2015, p. 103) argues that the fear of losing office by an incumbent are greatly reduced if the country has experienced an electoral alternation at least once, so that such an incumbent is able to observe the fate of previous office-holders. When Boris Yeltsin (1991–1999) contemplated the possibility of departure from office and his subsequent fate, he admitted that "one would

suppose that in considering my decision to retire, I would try to anticipate what would happen to me afterward" (Yeltsin, 2000, p. 364), however he could rely on the existing precedent: "This had happened one other time, when the first and last president of the USSR, Mikhail Sergeyevich Gorbachev, left office in December 1991" (ibid., p. 359). Yeltsin further explains that not only had he understood the importance of having the norm of dignified former leaders in retirement, he even assisted in making sure his predecessor was able to pursue a non-profit career after departure:

> It was necessary to establish a precedent for the respectful, dignified treatment of a major political figure who was leaving the political scene. I did everything I could in this respect, not for anyone personally but for the country. Gorbachev was given a state residence for lifetime use... Most important, it ensured that Gorbachev could engage in new civic and political activities by helping to set up the Gorbachev Foundation, which it presented with a large complex of buildings in the center of Moscow. ... We had wanted to establish the precedent of an open, unfettered, and peaceful life for an ex-head of state, and this we accomplished for the first time in Russian history (ibid., pp. 362–3).

While Yeltsin himself did not follow Gorbachev in pursuing a new post-tenure career in retirement — at the time of departure Yeltsin was almost 69 years old and physically unwell while Gorbachev was only 60 when he left power — the good record of his predecessor arguably allayed some of Yeltsin's fears and contributed to his decision to depart from office. Likewise, Abdou Diouf (1981–2000) of Senegal, who accepted electoral defeat and left in 2000, was also able to observe his predecessor, Léopold Senghor (1960–80), in retirement. Senghor, who chose to retire in late 1980, participated in a number of international initiatives, retained political influence, and became the first African to become a member of a prestigious *Académie*

Française (Diouf, 2014, p. 172). Diouf, who referred to himself as a "spiritual son" of Senghor (ibid., p. 174), clearly followed the post-tenure academic and non-profit engagements of his predecessor, as evidenced in numerous references in his memoirs (ibid., pp. 117, 172–77). It is not surprising that after departure from office Diouf, who received a message from Jacques Chirac (1995–2007) of France that he was finally "free for high international functions" (ibid., p. 275), did just that and became the Secretary-General of *la Francophonie*, an international organization of French-speaking nations, co-established earlier by his predecessor, Senghor. Following Diouf's regular departure from office, *Polity2* score for Senegal has changed from -1 to $+8$, i.e., from non-democracy to democracy.

In practice, individual preferences for remaining in office and alternative post-tenure careers are unobservable; actors may also value political office intrinsically. We cannot use the subsequent *realized* post-tenure career to predict regular exit from office that occurs prior. Instead, the positive fate and post-tenure careers of previous leaders in a given country can serve as a heuristic device for incumbent leaders about their own likely fate and careers. Such a record can be employed as a proxy for the elite acceptance of rotation in office norm, i.e., a focal point of reference that impacts on individual behavior (e.g., Schelling, 1960), and for the likelihood that incumbent leaders will be able to draw from the experience of their predecessors in the same country and *realistically* foresee their own future careers. Furthermore, post-tenure careers in prominent organizations or successful business ventures will be more "visible" than complete retirement, i.e., more likely to create a heuristic for the sitting leaders. We can therefore examine whether the successful post-tenure careers of former leaders in the past have any impact on whether their successors experience regular exits from office, and whether such exits in turn influence the strength of democracy over time. The assumed causal mechanism is that the existing and observable record of prior leaders' post-tenure careers will ease the costs of

departure from office for subsequent rulers, in turn reinforcing the rotation in office norm and influencing the strength of democracy over time, indirectly. Certainly, the record of prior leaders can in turn be influenced by the strength of democracy in the past; sitting leaders may also be swayed by the record of neighboring rulers, as discussed below.

If the record of several — or all — preceding leaders *re-enforces* the existing norm for sitting leaders, what factors or actors *create* the precedent for such a norm? The good post-tenure record of former leaders in the region may certainly contribute to, or trigger the acceptance of, a norm by an individual ruler. For example, the Council of (former) Presidents and Prime Ministers, i.e., *Friends of the Inter-American Democratic Charter*, under the auspices of the Carter Center — with Carter himself an example *par excellence* of a successful former leader — aims to engage former leaders from the Western Hemisphere in diplomatic efforts to promote democracy.[8] In turn, sitting leaders who interact with the *Friends* routinely are able to observe the living examples of successful peers in retirement from office in their reference group, and will arguably, be more likely to follow suit.

Also, in the process of, or even triggering, further political liberalization, certain leaders make decisions, often unilateral, to depart from office, such as Presidents Leopold Senghor (1960-80) of Senegal, Julius Nyerere (1964-85) of Tanzania or Jerry Rawlings (1981-2000) of Ghana. In turn, the departures of such leaders — many of whom pursue various occupations in retirement — strengthen the rotation in office norm and create a precedent for their successors. Admittedly, categorizing particular leaders as precedent-setting *ex post* is arbitrary. Instead, building on Norman Schofield's argument that leaders' influence will be particularly crucial during pivotal moments in history, e.g., after independence (Schofield, 2006), we can exam-

[8]See the list of members at `www.cartercenter.org/peace/americas/friends-inter-american-democratic-charter/index.html`, accessed 16 February 2016.

ine if the regular departures from office and post-tenure careers of the first post-independence leaders set the precedent for their successors to follow.

Indeed, in many newly independent nations where institutions are malleable, the founding fathers often have an enormous influence on the political direction of their nations. Boris Yeltsin (1991–99) of Russia argued that establishing the norm of regular exit from office was paramount: "The question would seem to be of a personal nature. But in the case of our country and our history, it went far beyond the president's personal needs. For Russia, it was a question of historic importance. ... Never before had a ruler willingly given up power. Authority in Russia had always been transferred through natural death, conspiracy, or revolution" (Yeltsin, 2000, p. 361). Juan Linz underlines that in fluid and uncertain situations, "the presence of an individual with unique qualities and characteristics ... can be decisive and cannot be predicted by any model" (Linz, 1978, p. 5). Certainly, the determinants of the fate and post-tenure career of the founding father may be idiosyncratic. For example, Przeworski (2015, p. 116) who turned to several indicators to measure the risks of losing office, concluded that first alternations in office "are difficult to predict because they entail idiosyncratic factors, accidents of history, sometimes very minor." However, while the creation of a precedent is difficult to operationalize, the effects of such precedent on the post-tenure record of future leaders can be examined empirically. The examples of the first post-independent leaders who remained active in retirement, such as Nyerere of Tanzania, Ter-Petrosyan of Armenia, Nujoma of Namibia, or Senghor of Senegal — may have created norms of behavior to follow for leaders to come. Similarly, a no re-election precedent in the early days of a political regime, such as the decision not to seek a third term by George Washington in 1796, or the refusal to seek re-election by Castelo Branco of Brazil in 1967, creates the focal point for elite coordination, forcing all subsequent rulers to comply (Magaloni 2006, 8; Skidmore 1988, 40, 64).

In general, individuals are more likely to comply with a norm when the figure(s) of moral authority support it (e.g., Knight, 1998). Existing ex-leaders, especially the founding fathers of nations who often retain political clout in retirement, may even ensure that their successors follow their own precedent. Thus, Julius Nyerere of Tanzania, who departed from the presidency in 1985 yet remained in politics as a party chairman, prevented his successor from a possible third term, and argued:

> "The transition period of trying to build a system of changing the leadership of our country constitutionally, with dignity and peace, will not be completed until President Mwinyi has concluded his remaining period peacefully, and handed over power to the new President by the same procedure as that by which he was himself installed. If we do not get to that point for any cause of our own making, we shall have to start all over again" (Nyerere, 1995, p. 72).

In summary, while the presence of former leaders with careers in retirement is one of the likely effects of democracy, the good record of such former leaders — especially of founding fathers — may provide a heuristic device for incumbents who will be more likely to depart and pursue their own careers, reinforcing the rotation in office as norm and, in turn, strengthening democratic consolidation.

Former Leaders' Careers, Regular Exit, and Democracy: Analyses

Democratic institutions ensure that leaders depart from office and enjoy good fate and careers afterwards, as see in Table 1 earlier. There exists a strong association between current levels of democracy and the number of prior leaders with active careers, ranging from the average *Polity2* score of -0.7 for incumbent leaders who are unable to observe any precedent to $+7.8$ for those who have three predecessors with post-tenure careers. This suggests that post-tenure

careers indeed reflect upon one of the mitigating effects of democracy. In fact, such presence (and count) of former leaders active post-office — the norm — can arguably be employed as yet another democracy test due to its strong association with democracy. Such a pattern however, while strong, tells us little about the direction of causality. Indeed, willingness to depart and pursue a career in retirement may also create, or strengthen, the precedent that may in turn have an impact on the likelihood of regular exit from office of future leaders and on the process of democratic consolidation.

Drawing from the discussion in the previous section, we can investigate whether the existing record of good post-tenure careers (of prior leaders) influence the likelihood of regular, peaceful departure of successors (Models 1–5) and therefore democracy, indirectly (Models 6–7). All model specifications omit Western consolidated democracies, i.e., include only nations where the alternation in office may not be axiomatic as in the West and where the record of previous leaders may be a plausible factor behind peaceful exit from office.

The binary dependent variable of regular exit (Models 1–5), coded by the author, takes the value of one whenever leaders depart peacefully that may occur when they lose an election and comply with an outcome or when they comply with the term limits and do not run — as opposed to being ousted in coups and experiencing irregular or violent departures. Altogether, 69 per cent of leaders experience regular, and 31 per cent — irregular exits. The intuition is that leaders who are provided with cues of their likely fate and career in retirement will also be more likely to comply with norms and leave of their own volition. In contrast, leaders who are unable to observe the precedent will have a higher utility of remaining in office; their political opponents will also be more willing to hasten their exit.

To account for the likely existence of the norm of good post-tenure careers of prior leaders, three indicators are employed. First, *Ex-leaders' careers* — the number of leaders with suc-

cessful careers in retirement, counted among three previous leaders in a given country for each departing leader — is included. This indicator has already been used in preliminary investigation of factors behind the post-tenure careers in the first section of this paper. Second, *All ex-leaders' careers* is calculated as the rolling proportion of all leaders with good careers in the country since independence or 1960, for each leader. Third, *Careers across region* — is calculated as the proportion of leaders with post-tenure careers amongst three most recent leaders in each country per region — to the total number of former leaders in the region ("broad" UN geographical region, including Middle East and the post-Soviet area), also calculated among three immediate prior leaders per country. Therefore, we test whether regular exits from office are influenced by the ability of incumbent leaders to observe how their predecessors fare in different reference groups: a more immediate group of prior leaders, that of all prior leaders in a country, and that of prior leaders in the same region. The argument herein is that post-tenure careers specifically, not positive fate per se, are expected to provide tangible benefits and mitigate the costs of leaving office. Because it is conceivable that leaders may also care about the positive fate of their predecessors or peers as opposed to careers opportunities only, or in contrast, may only be swayed by particularly attractive career opportunities, the appendix includes estimations based on a positive fate ("broader" fate) and on particular careers ("narrower" fate).

All model specifications in Table 2 use robust standard errors clustered by country; the control variables — explained in the appendix — are standard in the democratization literature (e.g., Przeworski et al., 2000). Because personalist rulers are the most likely to be killed or suffer bad fate after office (Escriba-Folch, 2013; Escriba-Folch & Wright, 2015), such leaders are unlikely to have any post-tenure career; an indicator for personalist regime is therefore required. The probit models fitted in the first three columns of Table 2 reveal that the coefficients for three indicators of the post-tenure norm — *Ex-leaders' careers*, i.e., three previous leaders,

an alternative variable, *All ex-leaders' careers* — all national leaders with careers, as well regional ex-leaders — are all statistically significant predictors for whether future leaders depart peacefully across developing countries.

The identification of the effects of post-tenure careers on democracy is challenging since such careers are affected by past democracy. Leaders' regular departures, as well as their fate and careers on the one hand, and the strength of democracy on the other, are mutually-reinforcing as the acceptance of norms is largely driven by repeated compliance with these very norms in the past, in turn determined by the strength of institutions (Przeworski, 2005, 2015). Therefore, democratic institutions and the norms of behavior can be endogenous, i.e., result from the same strategic situations (Riker, 1980). Indeed, for their stability, institutions rely on so-called core beliefs — widely shared assumptions and preferences that hold polities together (Schofield, 2006, pp. 260-66). Therefore, below we employ the instrumental-variable (IV) approach to identify whether the positive careers of ex-leaders — influenced by the strength of democracy in the past — can be shown to ease the costs of leaving office for subsequent rulers and, in turn, influence the strength of democracy over time indirectly.

Models 4–5, Table 2, fitted as IV-probit model specifications, attend to the possibility that the norm of having prior leaders with good careers in the past (*Ex-leaders' careers* and *All ex-leaders' careers*) that by assumption influences the ease of leaving office for future leaders and, therefore, democracy, is partly endogenous to the strength of democracy.[9] *Careers across region* has no obvious available exogenous predictors and it is therefore omitted.

[9]Formally, $y^*_{1i} = y_{2i} + x_{1i}\gamma + \varepsilon_i$ (1) is a second-stage equation that predicts *Regular exit* and $y_{2i} = \mathrm{x}_{1i}\Pi_1 + z_{2i}\Pi_2 + +\upsilon_i$ (2) is a first-stage, reduced-form equation to identify instruments. y_{2i} in (1) is the endogenous variable, *Ex-leaders' careers*, x_{1i} is a vector of exogenous variables, z_{2i} is a vector of instruments that affect y_2, but are excluded from (1) as they do not directly affect y_1, *Regular exit*. The remaining terms are vectors of parameters, matrix notation is omitted.

To distinguish between the effects of democracy on the post-tenure record of leaders, and those of leaders' regular rotation in office and good post-tenure record — on democracy, requires additional exogenous variables since these factors are interrelated by definition. Three variables assumed exogenous are therefore included. While *Ex-leaders' careers* record may affect the costs and benefits of leaving office for future leaders and, therefore, democracy over time, the existence of such a record in turn depends on the average values of democracy at the time of departure of those very ex-leaders themselves, *Democracy, ex-leaders*. It will also depend on *Ex-leaders' age* at that time — we know that older leaders are less likely to pursue post-tenure careers. Even though the prior values of *Democracy, ex-leaders* may be indirectly related to democracy in the future, i.e., whenever a country does not experience regime changes over time — the age of prior leaders at the time of their exit is orthogonal to democracy in the future, and therefore, the likelihood of regular departure from office of future leaders. Additionally, *Past personalism* is also assumed exogenous, operationalized as the proportion of former leaders in office in a country whenever its regime is defined as personalist in the past. While personalist leaders are the least likely to experience regular departures from office, personalism in the past can equally determine whether former (personalist) rulers had good fate and careers — whether the norm of active careers in retirement is in place — it is, however, unrelated to the strength of democracy in the future: equally undemocratic personalist, military or party-based regimes with equally low *Polity2* scores may all be succeeded by democracy with high *Polity2* scores. For instance, Pinochet's Chile — recorded as a military-personalist regime in Geddes, Wright, and Frantz (2012) — obtains a *Polity2* score of +8 in 1989 when the ruler departs, an even higher score than a much less personalized military regime in Brazil at the time of its *finale* does in 1985. Likewise Benin, at the end of its personalist regime in 1990, scores +6 — higher than the majority of military or party regimes in the region that had also attempted

multipartism at the time. Three variables chosen as exogenous are all strongly correlated with *Ex-leaders' careers*, making them suitable instruments.

Furthermore, the precedent set by the founding father may create the focal point for future leaders to follow. Indeed, on average, among subsequent leaders who follow first post-independence leaders with good fate and careers in retirement, almost two out of three will themselves have post-tenure career, as opposed to only one out of three who follow "fathers" with bad fate or fully retired. Therefore, the post-office record of the founding father — by creating the precedent — may influence the behavior of subsequent leaders — *All ex-leaders' careers* — but will be related only indirectly to the strength of democracy in the future. Alongside the record of the founding father, Model 5 also includes *Past personalism* as earlier; in contrast to the first specification that accounts for three preceding leaders, here it is measured for all prior leaders. Similarly, the count of all prior leaders in a country is related to the number of *All ex-leaders' careers* in the past but it is unrelated to democracy, rendering it a suitable instrument. Model 5 that includes these instruments also limits the sample to newly-independent nations where the effects of the careers of founding fathers can be identified.

[Figure 2 ABOUT HERE]

[Table 2 ABOUT HERE]

[Figure 3 ABOUT HERE]

The results in columns 4–5, Table 2, indicate that the precedent of good careers in the past, measured using two alternative indicators in 4 and 5, is a good predictor for regular exits from office, controlling for endogeneity. Equally, exogenous variables are strong instruments for the two variables assumed endogenous.[10]

[10]The chosen instruments pass several validity tests. The *prima facie* test of validity, pairwise correlations between variables assumed endogenous and instruments, are statistically significant. After re-specification of Models 4–5 as standard 2SLS models for diagnostics, the F-tests

Since model specifications are nonlinear, to get a better understanding of the magnitude of the effects of post-tenure careers on regular exit, we can briefly examine their marginal effects. When a leader sees no precedent of good post-tenure fate and career among the three predecessors, holding other predictors at their means, the probability of regular exit is 53 per cent. However, that probability increases to 73 per cent when there is at least one predecessor with "good" record, and to 96 per cent — when all three are successful (based on the IV-model in column 4). Likewise, as can be observed in Figure 3, the probability of peaceful departure increases from just below 50 per cent to 66 per cent when the percentage of all prior leaders active in retirement goes to 25 per cent, and to 80 per cent — when more than half of prior leaders are active (based on the IV-model in column 5).

The good ex-leaders' record may create the heuristic for sitting leaders who will find it easier to depart in a regular manner and will moderate their behavior in office, thus influencing the strength of democracy, indirectly. Therefore, in principle, regular and peaceful exits from office will contribute to democratic consolidation. As yet another test, Table 2 includes two specifications that show the positive effects of *Regular exit* — employed as the dependent variable in Models 1–5 — on the strength of democracy. The dependent variable in columns 6–7 is the average *Polity2* score over a three year period following departure from office, for each ruler. Model specifications include the same predictors as earlier. Model 6 is fitted as Generalized Estimation Equation (GEE), with independent within-group correlation structure (and with the smallest QIC). In turn, Model 7 is specified as 2SLS where *Regular departure* is assumed endogenous and *All ex-leaders' careers* and *Careers across region* are assumed

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on the instruments give the values of 64.28 and 73.22 (Models 4 and 5), exceeding the critical values. The robust Durbin-Wu-Hausman test rejects the null hypothesis of exogeneity in both cases. Furthermore, the test of over-identifying restrictions is not rejected. Full results are reported in the appendix.

to influence the likelihood of *Regular departure* but not democracy in the future. As can be seen in columns 6–7, Table 2, a regular departure, in turn influenced by a good record of prior rulers, has a statistically significant influence on democracy scores following that departure, in the developing world. The predicted *Polity2* score following regular departure from office is $+5.9$ as opposed to only -4.6 after more violent departures (based on 2SLS in column 7).

In summary, the results indicate that incentivizing political leaders with post-tenure opportunities and socializing them into prestigious international forums may indeed be an important policy tool to entice leaders to accept democratic norms: sitting leaders may be swayed not only by the strength of democracy at the time of their departure, but also by the observation of the fate and career of their predecessors whose record over time may contribute to democratic consolidation indirectly through its effects on the routinization of rotation in office.

The supplementary appendix details the data on prior and post-tenure careers, includes fully-reported IV-estimations, robustness and sensitivity tests, models excluding leaders serving shorter tenures, for different time periods and non-democratic regimes only. In general, the results are supportive of those in the paper. Furthermore, the argument about democracy and leaders' post-office careers also needs to take into account their career trajectories over a longer span, i.e., accounting for the determinants of their prior careers. The type of regime in existence when individuals — future leaders — graduate from college, and the type of education they receive, may determine the rewards from productive and rent-seeking behavior and therefore, the choice of their prior careers, which in turn influences their post-tenure careers. The appendix, therefore, additionally considers the determinants of their prior careers.

Conclusions

The existing scholarship has studied the causes and consequences of leaders' exit and fate (e.g., Escriba-Folch, 2013; Goemans, 2008; Svolik, 2012). This paper advances the literature, find-

ing that among those who depart in an orderly manner, there exists a considerable variation in whether they remain in politics, opt for another career, or retire fully. Controlling for factors that render imprisonment or exile likely, this author finds that neither age nor term limits alone explain whether leaders have careers after office. Instead, democracy and personal background primarily determine their careers. We know that democracy is associated with various policy benefits (e.g., Przeworski et al., 2000). Democracy, however, is primarily lauded as a more efficient system for processing conflicts (Schumpeter, 1942, p. 283); therefore former democratic leaders generally enjoy good fate. The paper explains what such leaders with positive fate are able to accomplish in political afterlife.

More than two hundred years ago, Alexander Hamilton, discussing term limits, lamented whether it would "promote the peace of the community, or the stability of the government to have half a dozen men who had had credit enough to be raised to the seat of the supreme magistracy, wandering among the people like discontented ghosts, and sighing for a place which they were destined never more to possess" (Hamilton 1999 [1788], p. 412). As it turned out, over the years many former U.S. presidents were able to acquire dignified post-office roles in for-profit or non-profit careers. Similarly, many democracies across the world feature former leaders active in public and private life in numbers resembling an emerging political norm. In turn, incumbent leaders, especially in developing nations, who are able to observe the good record of their predecessors or peer rulers, are influenced in their own decisions whether to part from office, or not. Arguably, the expectation of good careers in retirement makes departure from office easier, thus re-enforcing rotation in office — the norm found to be crucial in the process of democratic consolidation (e.g., O'Donnell & Schmitter, 1986). We know that democratic institutions reduce the value of holding office, rendering departures easier (Przeworski, 2005). If democracy reduces what is at stake, one of the factors behind it — alongside democratic

constraints — can be the availability of career options for political actors in retirement.

While many scholars have examined the effects of various factors on leaders' selection and their behavior in office, others took a very different perspective and have studied the effects of leaders' personal traits on democracy, conflict and the economy, among others things. This paper attempted to bring both of these approaches together in one unifying framework by analyzing the determinants of leaders' distinct career trajectories and how the latter may in turn effect democratic development. The proposed data, argument, and findings shed new light on the factors behind democratic consolidation and the allocation of talent in public and private jobs, and will be of interest to scholars of not only democracy but also of political leadership, background and traits (e.g., Besley et al., 2011; Colgan, 2013; Dreher et al., 2009; Hayo & Neumeier, 2014; Horowitz & Stam, 2014).

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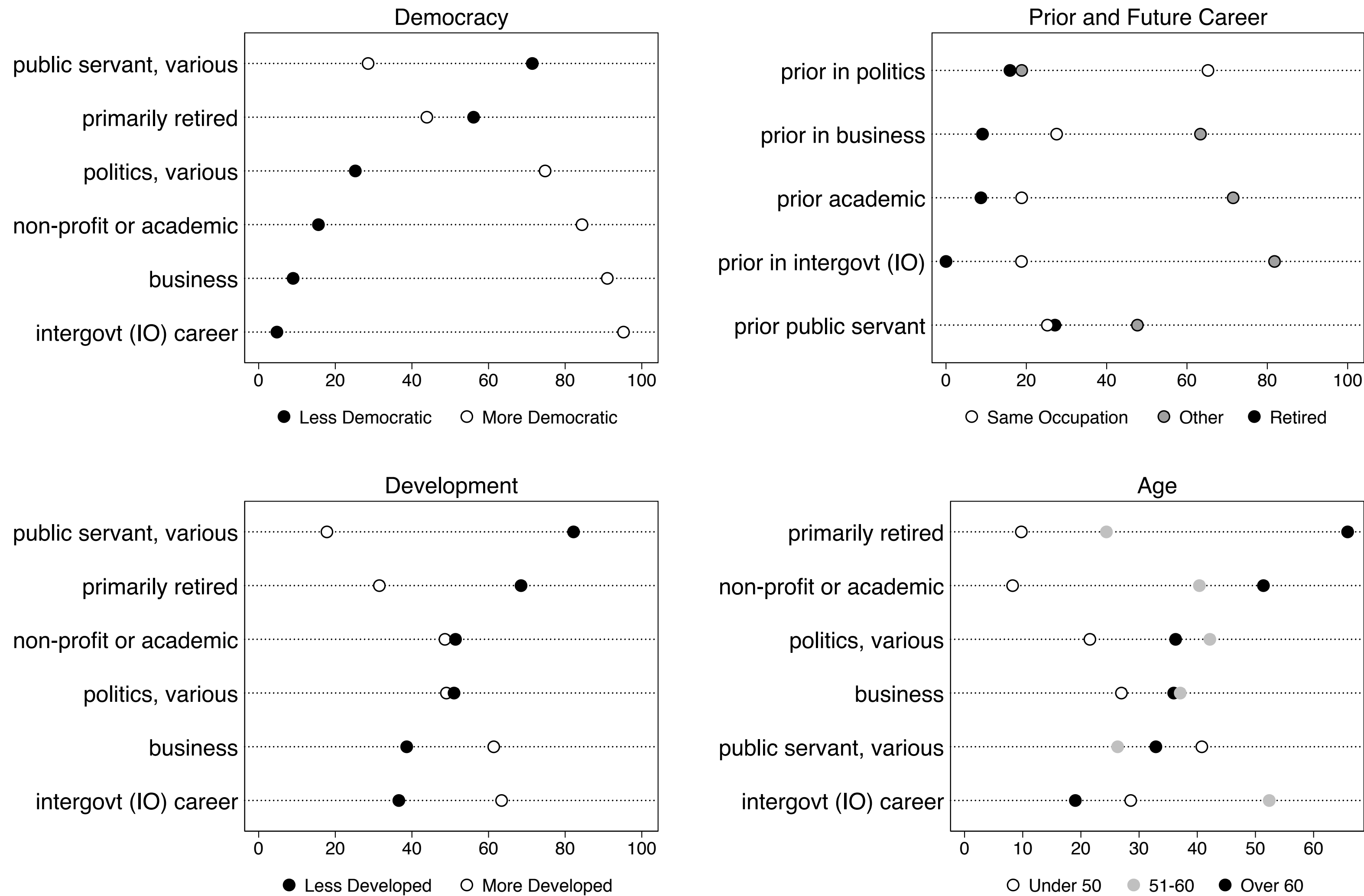

Figure 1: *Democracy, Development, Personal Background, and the Occupation of Former Leaders* *Note:* Leaders who retired, were exiled, arrested or jailed after office are excluded. Each sub-figure displays percentage of leaders in groups (x-axis) per category (y-axis). *Top right*: Prior career before office (vertical) and occupation after leaving office (horizontal). *Bottom right*: Future career (vertical) and age at the time of leaving office (horizontal); percentage of leaders from age groups per category; age categories are sorted in groups of similar size. *Top left*: Percentage of leaders in democratic and nondemocratic regimes in post-career categories (vertical).*Bottom left*: Percentage in more and less developed nations (income per capita above average world income) in post-career categories. Post-career categories are sorted by group differences.

Table 1: *What Factors Influence the Careers of Former Leaders?*

	Selection:					Probit:				
	politics	*business*	*civil servant*	*inter-national*	*ngo/ academ.*	*politics*	*business*	*civil servant*	*inter-national*	*ngo/ academ.*
Country traits:										
Democracy	0.033	0.066**	-0.067***	0.061+	0.055	0.022	0.047**	-0.056**	0.044	0.050**
	(0.025)	(0.024)	(0.017)	(0.036)	(0.057)	(0.018)	(0.021)	(0.018)	(0.036)	(0.021)
Income pc (log)	0.038	0.394	-0.466**	0.653+	-0.020	-0.110	0.307	-0.252	0.752+	0.026
	(0.212)	(0.247)	(0.194)	(0.382)	(0.417)	(0.183)	(0.247)	(0.240)	(0.396)	(0.293)
Int. membership	-0.006	-0.002	-0.012**	0.016**	0.016**	-0.008+	-0.001	-0.014**	0.014**	0.017**
	(0.004)	(0.006)	(0.005)	(0.007)	(0.006)	(0.004)	(0.006)	(0.006)	(0.006)	(0.005)
West	-0.513**	0.488**	0.875**	-0.145	0.025	-0.499**	0.493**	1.023***	-0.128	0.007
	(0.226)	(0.245)	(0.320)	(0.322)	(0.301)	(0.237)	(0.241)	(0.300)	(0.300)	(0.276)
Institutions:										
Parliamentarism	0.564**	0.061	-0.390**	-0.351	-1.100***	0.521**	0.079	-0.342	-0.401	-1.118***
	(0.182)	(0.216)	(0.190)	(0.271)	(0.205)	(0.194)	(0.224)	(0.257)	(0.274)	(0.206)
Term limits	-1.055***	0.746***	0.369	0.088	0.740**	-1.202***	0.786**	0.589**	0.097	0.753***
	(0.256)	(0.220)	(0.239)	(0.268)	(0.246)	(0.199)	(0.250)	(0.299)	(0.283)	(0.220)
Interim leader	-0.048	0.105	0.360+	-0.729+	-0.553+	-0.147	0.069	0.638**	-0.753+	-0.573+
	(0.164)	(0.184)	(0.208)	(0.383)	(0.316)	(0.158)	(0.190)	(0.206)	(0.389)	(0.314)
Leader traits:										
Leader's age	-0.014+	-0.019**	0.021**	-0.030**	0.024	-0.009	-0.014	0.012	-0.028**	0.024**
	(0.008)	(0.008)	(0.007)	(0.010)	(0.016)	(0.006)	(0.008)	(0.010)	(0.010)	(0.008)
Career politician	0.460***	-0.291	-0.276+	-0.713***	-0.144	0.451***	-0.294	-0.377+	-0.660***	-0.149
	(0.135)	(0.182)	(0.162)	(0.182)	(0.150)	(0.136)	(0.180)	(0.219)	(0.182)	(0.148)
Business career	-0.293+	0.787***	0.022	-0.705**	-0.362+	-0.251	0.754***	-0.094	-0.741**	-0.366+
	(0.166)	(0.207)	(0.239)	(0.329)	(0.218)	(0.171)	(0.213)	(0.326)	(0.336)	(0.215)
Public servant	-0.499**	0.003	0.883**	-0.314	0.102	-0.454**	-0.045	1.023***	-0.336	0.075
	(0.168)	(0.203)	(0.306)	(0.273)	(0.195)	(0.173)	(0.211)	(0.223)	(0.271)	(0.195)
Career in development	-0.436	-0.191	0.899**	0.479	-0.260	-0.509	-0.198	1.163**	0.516	-0.266
	(0.457)	(0.510)	(0.410)	(0.517)	(0.493)	(0.472)	(0.533)	(0.502)	(0.555)	(0.480)
Academic career	-0.267	-0.021	0.343	-0.049	0.093	-0.218	-0.081	0.281	-0.089	0.129

Continued

Table 1: Continued

	Selection:					Probit:				
	politics	*business*	*civil servant*	*internat.*	*ngo/ac.*	*politics*	*business*	*civil servant*	*internat.*	*ngo/ac.*
	(0.229)	(0.263)	(0.256)	(0.291)	(0.255)	(0.232)	(0.264)	(0.263)	(0.299)	(0.247)
Western education	-0.002	-0.202	-0.540**	-0.207	0.670***	-0.034	-0.208	-0.637**	-0.144	0.639***
	(0.135)	(0.133)	(0.211)	(0.230)	(0.165)	(0.144)	(0.138)	(0.206)	(0.231)	(0.154)
Family, upper class	0.042	0.065	0.142	0.206	-0.518**	0.080	0.067	0.133	0.146	-0.538**
	(0.132)	(0.172)	(0.141)	(0.179)	(0.195)	(0.135)	(0.156)	(0.201)	(0.187)	(0.190)
Constant	1.024	-2.401**	0.592	-3.392**	-3.632**	1.740**	-2.200**	-0.404	-3.496**	-3.788**
	(0.895)	(0.973)	(0.764)	(1.475)	(1.791)	(0.715)	(0.963)	(0.963)	(1.506)	(1.184)
Selection (any career):										
Income pc (log)	0.369**	0.405**	0.406***	0.407**	0.394**					
	(0.124)	(0.126)	(0.122)	(0.126)	(0.132)					
Democracy	0.045***	0.044***	0.046***	0.045***	0.045***					
	(0.012)	(0.011)	(0.012)	(0.011)	(0.011)					
Democracy $\triangle$	0.016	0.016	0.013	0.016	0.016					
	(0.016)	(0.017)	(0.015)	(0.016)	(0.016)					
Leader's age	-0.028***	-0.029***	-0.028***	-0.029***	-0.029***					
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)					
Irregular entry	-0.358**	-0.354**	-0.231	-0.333**	-0.367+					
	(0.159)	(0.154)	(0.180)	(0.155)	(0.194)					
Coup exit	-0.997***	-0.996***	-0.995***	-1.004***	-0.996***					
	(0.164)	(0.161)	(0.163)	(0.162)	(0.164)					
Ex-leaders' careers	0.132**	0.130**	0.142**	0.130**	0.127**					
	(0.049)	(0.050)	(0.046)	(0.050)	(0.055)					
Constant	0.643	0.553	0.489	0.540	0.598					
	(0.472)	(0.498)	(0.496)	(0.490)	(0.519)					
N	1017	1017	1017	1017	1017	738	738	738	738	738
N countries	138	138	138	138	138	128	128	128	128	128
χ^2	127.608	111.046	140.106	154.286	120.107	123.415	83.179	105.340	130.822	125.633

Note: Models 1–5 are Heckman selection models that predict future careers after accounting for as to why leaders do not retire. Models 6–10 are probit models that predict the choice of occupation v. other "active pursuits" and exclude leaders who retired, went into exile, were arrested or jailed. Significant at + $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

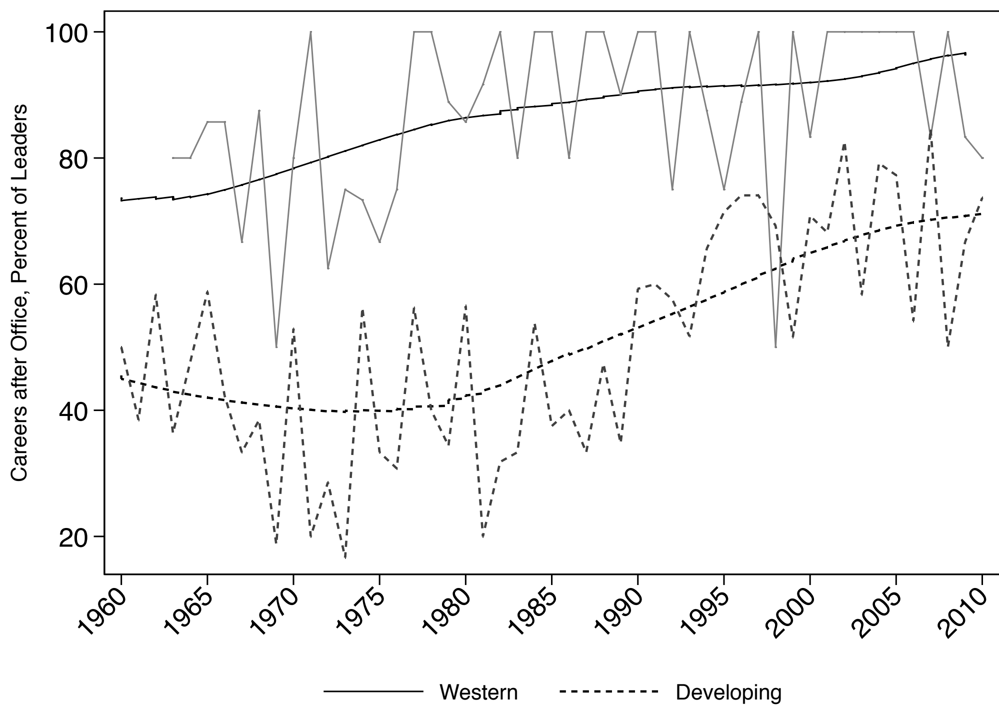

Figure 2: *Post-tenure Careers of Former Political Leaders, 1960–2010.* Note: Years at the time of leaving office; raw averages and smoothed lowess lines are included.

	Regular Exit					*Democracy*	
	Probit:			IV-probit:		GEE:	2SLS:
Democracy years	0.041**	0.041**	0.041**	0.021+	0.059**	0.096***	0.068***
	(0.015)	(0.015)	(0.015)	(0.013)	(0.023)	(0.026)	(0.019)
Income pc (log)	0.563**	0.470**	0.540**	0.254	-0.020	3.319***	1.851+
	(0.178)	(0.171)	(0.175)	(0.177)	(0.216)	(0.812)	(1.124)
Muslim, percent	-0.003	-0.003	-0.003	-0.004+	-0.003	0.002	0.009
	(0.002)	(0.002)	(0.002)	(0.002)	(0.003)	(0.016)	(0.013)
Catholic, percent	-0.002	-0.003	-0.002	-0.002	-0.003	-0.003	0.005
	(0.003)	(0.003)	(0.003)	(0.002)	(0.005)	(0.014)	(0.014)
British colony	-0.074	-0.069	-0.077	0.011	-0.031	1.267	1.223
	(0.207)	(0.210)	(0.207)	(0.210)	(0.204)	(0.863)	(0.782)
Ethnic fractionaliz.	-0.152	-0.236	-0.176	-0.520**	-0.840**	-0.467	-0.489
	(0.284)	(0.269)	(0.277)	(0.239)	(0.321)	(1.087)	(1.036)
War	-0.370***	-0.407***	-0.375***	-0.359**	-0.640***	-0.001	0.555
	(0.112)	(0.116)	(0.113)	(0.111)	(0.183)	(0.478)	(0.567)
Personalism	-0.835***	-0.816***	-0.830***	-0.641**	-0.859**	-0.030	2.154
	(0.214)	(0.217)	(0.216)	(0.231)	(0.269)	(0.828)	(1.367)
Number of coups	-0.019+	-0.016	-0.018+	-0.028**	-0.168**	0.012	0.030
	(0.011)	(0.010)	(0.010)	(0.009)	(0.055)	(0.036)	(0.040)
Presidentialism	0.839***	0.831***	0.843***	0.831***	1.448***	2.713***	1.168
	(0.183)	(0.183)	(0.182)	(0.164)	(0.412)	(0.556)	(0.921)
Cold war	-0.582***	-0.592***	-0.587***	-0.292**	-0.699***	-3.425***	-2.125**
	(0.124)	(0.122)	(0.121)	(0.111)	(0.194)	(0.584)	(0.810)
Ex-leaders' careers	0.142**	–	–	0.546***	–	–	–
	(0.069)			(0.101)			
All ex-leaders' careers	–	0.671**	–	–	1.740**	–	–
		(0.222)			(0.565)		
Careers across region	–	–	0.469**	–	–	–	–
			(0.190)				
Regular exit	–	–	–	–	–	3.318***	10.491**
						(0.562)	(3.453)
Constant	-0.992	-0.685	-0.924	-0.332	1.091	-10.849***	-11.717***
	(0.659)	(0.624)	(0.644)	(0.578)	(0.808)	(3.023)	(2.841)
First stage:							
Democracy, ex-leaders	–	–	–	0.072***	–	–	–
				(0.011)			
Ex-leaders' age	–	–	–	-0.023***	–	–	–
				(0.004)			
Past personalism	–	–	–	-0.421**	0.133	–	–
				(0.149)	(0.083)		
Number of leaders	–	–	–	–	0.052***	–	–
					(0.008)		
Nation father's career	–	–	–	–	0.502***	–	–
					(0.046)		
All ex-leaders' careers	–	–	–	–	–	–	0.268**
							(0.097)
Careers across region	–	–	–	–	–	–	-0.051
							(0.085)
athanh ρ	–	–	–	-0.475***	-0.303**	–	–
				(0.118)	(0.144)		
F-statistic[a]	–	–	–	–	–	–	9.54
N	760	760	760	681	329	744	744
N countries	116	116	116	107	74	116	116
χ^2	122.376	122.976	122.445	208.702	102.294	684.225	–

Table 2: *The Effect of Prior Leaders' Post-Tenure Careers on Exits from Office and Democracy.*
Note: Western nations are excluded; newly-independent nations (after 1960) only in Model 5. Models 4–5 are IV-probit (MLE) with *Ex-leaders' careers* and *All ex-leaders' careers* assumed endogenous; 7 is 2SLS with *Regular exit* endogenous. Variables assumed exogenous displayed in first stage (full results in appendix). [a]F-statistic for the joint significance of excluded instruments (significant $p < 0.001$). + $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

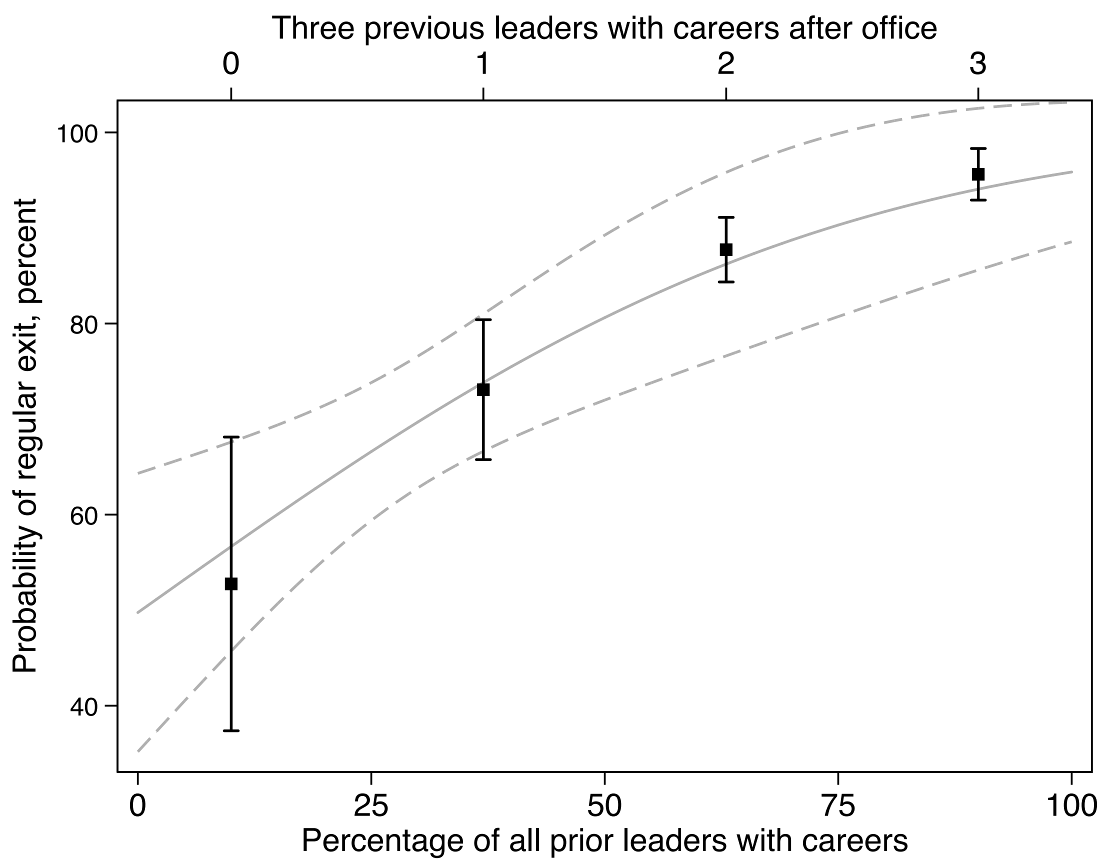

Figure 3: *Substantive Effects of Prior Leaders' Post-Tenure Careers on Regular Exit.* Note: The plot displays marginal effects of *Ex-leaders' careers* (top axis) on the probability of regular exit, based on IV-probit model 4 in Table 3, as well as the effects of *All ex-leaders' careers* on the probability of exit, based on IV-probit model 5 in Table 3. Substantive effects are estimated separately.