

When State Building Backfires: Elite Coordination and Popular Grievance in Rebellion^{*}

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Abstract

We examine the complementary roles of elite politics, popular grievances, and central government weakness on rebellion. Efforts to strengthen the central state often come at the expense of the elite intermediaries charged with maintaining local political control. By driving a wedge between local elites and the central government, centralizing reforms can reduce intermediaries' willingness to repress mobilization, providing an opening for popular rebellion during both localized and national crises. For a given level of commoner grievance, revolts from below are thus more likely to be attempted and more likely to spread where elites' incentives to enforce order have been diminished. We formalize these ideas and provide supportive evidence using subnational data on rebellion, tax centralization, and drought in colonial Mexico from the late 17th-century to the War of Independence.

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1. Introduction

Subsistence crises are a powerful motivation for unrest (Scott 1976; Tutino 1986; Miguel 2005). However, popular grievances alone are not sufficient to explain rebellion. Severe droughts and famines are often accompanied by little to no unrest, while a relatively minor shock during a critical period can lead to large-scale insurgency. As numerous scholars have noted, whether localized crises spill over into large-scale violence depends critically on whether there is a political opening for revolt brought on by state weakness, elite divisions, or other forces (Moore 1966; Wolf 1969; Tilly 1978). In this paper, we examine how state-building efforts, intended to raise revenue and strengthen the government's hold over territory, can backfire and open up opportunities for generalized revolt.

We advance a theory of rebellion that focuses on the role of local elites as intermediaries between commoners and the central government. In contexts where central rulers rely on local potentates to maintain political order, efforts to strip the intermediaries of power can make the state more vulnerable to popular rebellion. In determining whether to invest in repression, elites weigh the anticipated costs of enforcing order against any benefits that they receive from backing the government. When their economic or political privileges are eroded, elites become less inclined to follow through on their commitment to keep the peace. This reduces the expected cost of revolt for commoners, encouraging more rebellion and further testing elites' loyalties. When the central government is weakened, it becomes more difficult to punish elites who shirk on their peacekeeping duties, further eroding order. Small, localized uprisings that may be otherwise easy to contain can spread into a broader political crisis that threatens government survival.

There are many potential sources of discord between local elites and the central government. State-building reforms represent an important example. Efforts to consolidate the state's fiscal or bureaucratic control over territory, while perhaps laying the foundation for future peace and prosperity (e.g., Dincecco and Katz 2014; Acemoglu et al. 2015), often come at the expense of elite intermediaries (Besley and Persson 2009; Gerring et al. 2011; Garfias 2018; Garfias and Sellars n.d.). State building, though capacity-enhancing over the long term, can backfire by reducing the willingness of elites to

back the government during a crisis. By rupturing existing power relationships between elites and the central government, efforts to centralize power can reduce the resilience of the political system to even low-level shocks by weakening the threat of repression faced by commoners.

We provide empirical support for the theory using subnational evidence on localized uprisings and generalized insurgency in late colonial Mexico. During the 18th century, the Spanish Crown undertook a series of capacity-building reforms, including one that stripped provincial elites of the ability to extract rents through decentralized tax collection. This reform aggravated intermediaries during a time of renewed peasant unrest in the countryside. Elite-funded militias usually contained the small rebellions that emerged during localized droughts. However, the centralizing reforms weakened elites' loyalties to the Crown. When the state's ability to punish elite defection was curtailed following the Napoleonic invasion of Spain in 1808, the effect of drought on peasant rebellion was amplified. This political crisis, which occurred alongside a widespread drought, precipitated Mexico's War of Independence. Consistent with our theory, we show that insurgent violence during the war was concentrated in regions where elites had been disproportionately affected by earlier state-building efforts. Though these centralizing reforms increased revenue collection and state bureaucratic control, they also left the Crown vulnerable to elite defections and peasant revolt during a crisis.

By focusing on the interaction between the strategic problems of elite coordination and peasant revolt, our model highlights how national politics can influence highly localized conflict and vice versa. Building on classic works on peasant rebellion (e.g., Moore 1966; Wolf 1969; Paige 1975; Scott 1976), we focus on the interplay between low-level subsistence shocks and the broader opportunity structures that amplify or diminish incentives for rebellion. Even severe grievances may not lead to revolt when collective action is difficult or the threat of repression is high (e.g., Moore 1978; Tilly 1978; Wood 2003). Though commoners' motivations for revolt may be unrelated to national political conflict, national crises can be transmitted to the local level by influencing how intermediaries respond to mobilization. Conversely, even if elites are insulated from the specific sources of peasant grievance, local unrest increases the cost of enforcing order, which tests elite loyalties to the Crown.

Highly localized aspects of the peasant economy, such as temporary drought shocks, can therefore have repercussions for elite coordination, and peasant villages with little interest in national political struggles may look to shifts in elite politics when determining how to respond to temporary crises. This has implications for work on the localized causes of revolt, such as the link between climate and conflict (e.g., Hsiang et al. 2013). Our theory suggests that the consequences of localized rainfall shocks, for example, should depend on national and elite politics, which can amplify or diminish the potential for unrest.

The connection between national- and local-level crisis is especially important to understanding why strengthening state capacity is challenging. Past work has illustrated how intra-elite conflict can undermine state building investments (e.g., Besley and Persson 2009; Garfias 2018; 2019). By focusing attention on elites as intermediaries between central authorities and the general population, our theory develops another mechanism through which state building can be destabilizing. Disgruntled elites can shirk on repression, allowing localized uprisings to spread out of control and threaten the government. Though strengthening capacity may be appealing for the long run, centralizing reforms that alienate intermediaries can reduce resilience to shocks in the interim. As our model illustrates, because of the complex feedback between national and local politics, the confluence of small shocks during a critical time can cause mass revolt, large-scale elite defections, and the collapse of the central government.

Finally, our paper contributes to understanding Mexico's War of Independence. Existing work offers explanations for the conflict at three different levels: imperial weakness following the Napoleonic Invasion, regional conflicts between disaffected elites and the Crown, and peasant crises related to the drought of 1808. We formally integrate all three explanations, illustrate how they relate to one another, and provide empirical evidence on each.

2. Theory: Elite Coordination and Commoner Grievance in Rebellion

Our theory builds on the observation that state-building efforts can generate instability by disrupting existing power relationships. Governance arrangements in weakly institutionalized states often

depend on the cooperation of intermediaries — local warlords, traditional leaders, or members of the aristocracy — to maintain control over the population. These arrangements can be beneficial to both the central government and local potentates. If provincial elites are more able to effectively monitor and coerce the local population, a government may choose to delegate the task of governing territory to elites in exchange for a share of tax revenues or other rents (Gerring et al. 2011; Garfias and Sellars n.d.). Efforts to centralize authority often require curtailing these elite privileges. However, stripping elites of revenue and power can undermine their loyalty to the central government.

Our focus is on the downstream effects of centralization on popular revolt. Dissatisfied elites can take direct action against a central government — for example, through a coup attempt — but they may also play a more subtle role in shaping patterns of uprising among commoners. When elites are charged with keeping the peace in their regions, they may decide to shirk on local repression following the adoption of policies that harm their interests. This lowers the cost of rebellion for commoners, making the central government more vulnerable to revolt from below during times of crisis. Elites' role as intermediaries serves to transmit national-level political conflict down to the local level. The converse is also true. Even if elites are insulated from the localized factors that motivate commoner rebellion, siding with the government is more costly when commoner grievances (and thus the risk of revolt) are higher. This can exacerbate national-level crises by further testing the ties between local elites and the central government.

Why, given these risks, might a government undertake efforts to centralize power at the expense of intermediaries? In Appendix B, we analyze a model in which a government chooses a level of centralization, weighing potential dangers of alienating local elites against the benefits of consolidating power for the future. As that model illustrates, a ruler may be better off alienating elite intermediaries to retain more revenue and bolster the future strength of the government. However, doing so leaves him at greater risk during adverse economic or political shocks, when commoners may have an incentive to rebel and elites can no longer be counted on to keep the peace.

The theoretical and empirical focus of this paper is on what happens *after* a ruler’s decision to centralize power and specifically on how centralizing reforms can influence patterns of revolt during subsequent, unrelated crises. Our theory centers on the coordination problem faced by local elites as they decide whether to follow through on their peacekeeping responsibilities. During times of crisis, elites face a higher expected cost of maintaining order, which tests their level of commitment to the central government. Elites who suffered under earlier centralization efforts may be less willing to invest in local repression. As intermediaries between commoners and the government, elites can trigger a larger-scale crisis through their inaction. Commoners become more willing to rebel, and elites in other regions — anticipating inaction among their neighbors — begin to doubt that the government can survive.

Our model builds on the literature on coordination and regime change under incomplete information (e.g., Boix and Svobik 2013; Passarelli and Tabellini 2017; Finkel and Gehlbach 2020; Sellars n.d.; Tyson and Smith 2018), most directly on work examining the strategic interplay between elites and commoners in collective action (e.g., Bueno de Mesquita 2010; Casper and Tyson 2014) and examining spillovers between national and localized patterns of grievance and revolt (e.g., Passarelli and Tabellini 2017; Finkel and Gehlbach 2020). Because of the positive feedback between elite loyalties, central government strength, and commoners’ incentives to rebel, the effect of a shock to any of these factors individually is amplified through its indirect effects on the others. Even a stable political system may be endangered by a minor shock under the right conditions.

2.1 Model setting

The model is a simultaneous game of incomplete information. We consider a society of a continuum of districts of mass one, indexed by i , and a central government, which is unmodeled (but see Appendix B). Each district contains a representative elite (E) and a representative peasant village (P).¹ The peasant village can either collectively rebel ($v_i=1$) or not ($v_i=0$). In turn, the local elite

¹We use “peasant” to refer to non-elite actors given our empirical focus on an agrarian society. However, the theory could extend to commoners in other contexts, as we discuss below. To highlight the interplay between national and localized crises, we treat villages as unitary actors, abstracting from away from any within-village collective action problem to focus on how the cross-district coordination problem of elites filters down to the local level.

decides whether to side with the government and put down rebellion ($e_i = 1$) or to defect and shirk on repressive activities ($e_i = 0$).

If peasants rebel, they receive an exogenous benefit $\beta > 0$. This could include feelings of belonging, goods seized during rioting, or other benefits held only by those who mobilize (e.g., Wood 2003; Passarelli and Tabellini 2017).² Peasant mobilization, however, is also costly. If the local elite chooses to side with the government and enforce local order (i.e., if $e_i = 1$), peasants who rebel pay a punishment cost $\tau > 0$. When a village rebels, peasants also pay an opportunity cost, which can be high or low, $\omega_i \in \{\omega_L, \omega_H\}$, where $\omega_L < \omega_H$. In an agrarian society, ω_L could represent a negative shock, such as a drought, which lowers the marginal value of labor in the subsistence sector and reduces the relative cost of conflict (e.g., Dell 2012; Hsiang et al. 2013). Because decisions are based on the relative payoff of rebellion and non-rebellion, it would be equivalent to think of ω_i as a measure of wellbeing if there is no rebellion, or as the inverse of grievances, which may also be heightened during a drought or other subsistence crisis.

The conditions that determine peasants' opportunity costs/grievances are revealed in each district at the beginning of the game. The probability that a district receives poor conditions ($\omega_i = \omega_L$) is $p \in (0, 1)$ (the probability of $\omega_i = \omega_H$ is $1 - p$). The proportion p is common knowledge³, and ω_i is observed to all local actors. We assume that $\beta - \tau < \omega_L < \omega_H < \beta$, so that all peasants may choose to rebel if the probability of repercussions is sufficiently low.⁴

The elites' choice of whether to follow through on their peacekeeping responsibilities or to defect depends on their idiosyncratic level of "loyalty" to the government, θ_i , which is also revealed at the beginning of the game and is only observed by each of them. This parameter can be interpreted as a composite of an elite's status-quo payment, his attachment to the regime, and any other benefits that

² Free-riding problems are not featured in this formalization as villages who rebel and elites who defect receive a private benefit. The strategic complementarity between actors is common to global-games and similar coordination models.

³In Appendix C, we develop an extension relaxing this assumption.

⁴The comparative statics we derive on opportunity costs/grievances would be amplified if $\omega_H > \beta$ (no peasants rebel during good conditions), $\omega_L < \beta - \tau$ (all peasants rebel during bad conditions), or both.

he receives from funding local repression.⁵ Elite loyalties are correlated across districts. Specifically, idiosyncratic elite loyalties θ_i are uniformly distributed on $[\theta - \delta, \theta + \delta]$, where θ , the average level of loyalty of elites to the government, is unknown and where $\delta > 0$ so there is variation in loyalties across elites.⁶ Prior beliefs of all actors are that θ may take on any value on \mathbb{R} with equal probability.⁷ Elites privately observe their individual θ_i and from this form beliefs about average elite loyalty in the country. The posterior belief of an elite with loyalty θ_i is to treat θ as distributed $Unif[\theta_i - \delta, \theta_i + \delta]$. Peasants do not directly observe the loyalty of the local elite in their district θ_i . However, they receive a signal s_i where $s_i \sim Unif[\theta_i - \sigma, \theta_i + \sigma]$ and $\sigma > 0$. Given their uninformative prior, peasants' posterior beliefs are to treat θ_i as a random variable distributed $Unif[s_i - \sigma, s_i + \sigma]$. We assume that the realization of elite loyalties is independent of peasant conditions ω_i .

Elites siding with the government must fund repression in their districts. The cost of putting down the rebellion is $\mu > 0$ if local peasants rebel (i.e., $v_i = 1$) and 0 otherwise. If an elite defects, he does not need to pay this cost of peacekeeping.⁸ However, if he defects and the central government survives, he pays a punishment cost of $\pi > 0$. Note that because elite decision-making is based on the relative benefits of cooperation over defection against the regime, this would be equivalent to thinking of π as a benefit to cooperating elites if the government survives. We assume that the central government falls if enough elites defect in rebellious areas, allowing the localized revolts to grow out of control. Let h represent the mass of elites who defect (i.e., those choosing $e_i = 0$).⁹ We assume that the government falls if defection h exceeds some exogenous threshold k , representing the strength of the regime. We assume that this threshold k is common knowledge.

⁵In Appendix Section B, we endogenize this parameter and draw a direct connection between the share of local revenue retained by the elite and their willingness to repress mobilization.

⁶Note that θ_i is not restricted to be positive. An elite with negative θ_i could be thought of as harboring grievances against the government or having an affinity for rebels.

⁷If the assumption of prior ignorance seems strong, θ can alternatively be conceptualized as a deviation from typical elite loyalty.

⁸The parameter μ can be thought of as the cost of repression relative to inaction in the face of peasant rebellion, which allows for elites to bear other costs during revolt, including looting, vandalism, or violence.

⁹The results we derive would be similar if government survival depended on elite defection in rebellious districts only, as all parameters enter the elite and peasant problems in the same direction (i.e., either increasing/decreasing the risk of both rebellion and defection). See Appendix A.

To summarize payoffs, peasants rebel if the expected benefit of doing so is higher than the expected cost, or if:

$$\beta - \tau e_i > \omega_i, \quad (2.1)$$

where β is the benefit of rebellion, τ is the cost imposed by elite repression, e_i is an indicator that takes a value of one if the elite sides with the government and zero otherwise, and ω_i is the peasant opportunity cost (or inverse of grievances). The peasant village forms expectations about the likely actions of elites based on their signal s_i of the local elite's loyalty θ_i . The expected benefit of rebelling relative to not rebelling is:

$$\beta - \tau Pr(e_i = 1 | s_i, \omega_i) - \omega_i. \quad (2.2)$$

Likewise, elites side with the government if the expected value of doing so is higher than the expected cost, or if:

$$\theta_i - \mu \mathbb{1}\{v_i = 1\} > -\pi \mathbb{1}\{h \leq k\}, \quad (2.3)$$

where θ_i is the idiosyncratic benefit of remaining loyal to the government, μ is the cost of putting down rebellion locally, and π is the punishment of defection should the government survive. The indicator v_i takes a value of one if the peasants choose to rebel and zero otherwise; similarly, $\mathbb{1}\{h \leq k\}$ indicates whether the government survives, which occurs if the mass of defecting elites h is smaller than the government survival threshold k . While both v_i and h are endogenous, each elite forms beliefs about the likely actions of the local peasantry and of the elite in other regions based on his own known loyalty, θ_i , and the peasant conditions in the district, ω_i . The expected relative benefit of siding with the government is:

$$\theta_i - \mu Pr(v_i = 1 | \theta_i, \omega_i) + \pi Pr(h \leq k | \theta_i, \omega_i). \quad (2.4)$$

2.2 Analysis

We solve for the unique Bayesian Nash Equilibrium of this game. We do this in the following steps. We first establish that there is a threshold level of loyalty $\bar{\theta}(\omega_i)$, which depends on local peasant conditions, below which elites will always defect and above which they will remain loyal to the

regime, and a threshold signal $\bar{s}(\omega_i)$ below which peasants will always rebel and above which they will not. We then show that these thresholds are higher (so rebellion/defection is more attractive) when peasant conditions are poor (i.e., $\omega_i = \omega_L$). We then solve for the thresholds $\bar{\theta}(\omega_i)$ and $\bar{s}(\omega_i)$ explicitly and calculate the comparative statics. Below we outline the key propositions and provide some intuition for our results. Proofs are provided in Appendix A.

Proposition 1. *In the unique Bayesian Nash Equilibrium, there exist cutpoints $\bar{\theta}(\omega_i)$, $\bar{s}(\omega_i)$, which depend on peasant conditions ω_i , such that an elite defects from peacekeeping if $\theta_i \leq \bar{\theta}(\omega_i)$ and remains loyal otherwise, and a peasant village rebels if $s_i \leq \bar{s}(\omega_i)$ and does not rebel otherwise.*

Proof in Appendix A.1. When elites are very loyal to the government, they follow through on their peacekeeping duties, regardless of what they expect peasants or other elites to do. Conversely, when they are very disloyal, they choose to defect, even if doing so is likely to be costly. At moderate levels of θ_i , however, elites' best response depends on the likelihood of facing peasant rebellion — because this determines the cost of peacekeeping — and on the anticipated actions of other elites — because these determine whether the government will survive to punish defection. Elites are more likely to defect if their loyalty, θ_i , is low, for both direct and indirect reasons. Directly, the level of loyalty (or status quo payoff) determines the willingness of elites to absorb costs associated with peacekeeping. Indirectly, because elite loyalties are correlated across districts, elites with lower levels of loyalty anticipate more defection from other elites, further reducing the anticipated costs of defection.

Peasants, in turn, use the signal of elite loyalty, s_i , to form a belief about the likelihood that any rebellion is repressed. When signals are very low, peasants know that elites are not going to repress and rebellion is always preferred to non-rebellion, by the assumption that $\omega_L < \omega_H < \beta$. By contrast, when signals are very high, peasants know that elites are certainly going to repress local mobilization and therefore are always better off not mobilizing.

Corollary. *Given the peasants' strategy to rebel when their signal is sufficiently low relative to local peasant conditions ($s_i \leq \bar{s}(\omega_i)$), a greater share of peasants will rebel when θ_i declines.*

This corollary follows directly from the distribution $s_i \sim Unif[\theta_i - \sigma, \theta_i + \sigma]$. Peasants receive a noisy but unbiased signal of their local elite's loyalty to the government. As this signal declines, peasants anticipate that it is less likely that they will face repression should they mobilize. There will therefore be more rebellion where elite loyalties are low. While peasants may care little about reforms that influence elite loyalty directly, these enter their calculus by changing the likelihood of repression.

Proposition 2. *Let $\bar{\theta}_H$ and $\bar{\theta}_L$ be the cutpoint level of loyalty in good and bad peasant-condition districts respectively. Then $\bar{\theta}_H < \bar{\theta}_L$. Let \bar{s}_H and \bar{s}_L be the cutpoint signal of elite loyalty received by the peasant village in good and bad peasant-condition districts respectively. Then $\bar{s}_H < \bar{s}_L$.*

In Appendix A.2, we show that both elite and peasant cutpoints are higher when local peasant conditions ω_i are worse. Note that by Proposition 1, this implies that defection is chosen by a larger range of elites and rebellion preferred by a larger range of peasants when local conditions are poor as opposed to good. As above, this is the result of both direct and indirect factors. When the opportunity cost of revolt is low (or grievances are high), peasants become more willing to face some risk of repression than when local conditions are good. This in turn implies that a greater range of elites will anticipate facing rebellion at home, raising the expected cost of peacekeeping. This makes defection from the central government more appealing.

Together, Propositions 1 and 2 illustrate how a reduction in peasant opportunity costs (or an increase in grievances), ω_i , can amplify the effects of elite loyalty shocks (reductions in θ_i) and vice versa. Though elites with very high (very low) levels of loyalty to the government always remain loyal to the government (defect), elites with intermediate levels of loyalty make their choice based on the anticipated actions of local peasants and other elites. When local peasant conditions are poor and the prospect of rebellion increases, elites who would otherwise remain loyal to the government may choose to defect, raising the cost of policies that harm elite interests. Similarly, a drought or other negative shock that occurs during a time of high elite loyalty to the government may spur little rebellion because peasants anticipate facing repression. During a time when elites are frustrated with the central government, however, many more villages may find it preferable to rebel. The positive

feedback between commoner- and elite-level conflict highlights the particular risk of alienating intermediaries through centralizing reforms.

Proposition 3. *Elite and peasant cutpoints $\bar{\theta}(\omega_i)$ and $\bar{s}(\omega_i)$ are increasing in peasant benefits of collective action β , and the elite cost of peacekeeping μ . These cutpoints are decreasing in regime strength k , the peasant cost of repression τ , and local peasant conditions ω_i .*

Proof in Appendix A.3. Given our empirical interest, we focus on the effect of changes to the strength of the central government (k), leaving discussion of the other parameters to the Appendix.

When the central government is strong (i.e., when k is large), it can absorb a lot of elite defection without collapsing. Elites therefore anticipate that they are likely to be punished if they defect, increasing their willingness to side with the regime, even when local conditions are conducive to rebellion. Conversely, if the government becomes weak, elites with marginal levels of loyalty may suddenly find it preferable to defect as the risk of punishment goes down. Though peasants by assumption do not care about national politics directly, the strength of the government still enters their calculus indirectly by influencing the local elite's willingness to repress mobilization. This again underscores the role of positive feedback in the model. Because elites are more likely to shirk on peacekeeping during times of central government weakness, the risk of peasant revolt increases during these times as well, further weakening elites' incentives to repress and further straining government control.

2.3 Summary of model implications

Focusing on the role of elites as intermediaries between the commoners and the government, this model illustrates the interdependence between elite loyalties, θ_i , commoners' incentives to rebel, ω_i , and central government strength, k , in determining patterns of rebellion. When elite loyalties are tested — for example, following targeted state-building efforts — local intermediaries become less willing to deploy repression in response to peasant mobilization. A breakdown in elite compliance can make it difficult for even a strong central government to maintain control when low-level shocks encourage rebellion from below. When a severe drought hits, this effect is amplified: rebellion

becomes more attractive to the peasantry, which puts further pressure on elite loyalties and central government strength. During periods of central government weakness, the ability to punish elite defectors is diminished, and elite backlash becomes all the more dangerous as shocks that might otherwise be easy to control can suddenly threaten the survival of the regime.

The model illustrates how even modest shocks to commoner conditions, elite loyalties, and government strength can have outsized effects because of a positive feedback between these individual factors. It also produces predictions about the spatial and temporal patterns of rebellion that we should see in response to local and national shocks. As in other theories, the model suggests that rebellion should be more likely, all else equal, where economic conditions are poor or peasant grievances are worse (ω_i is low). Importantly, however, because of the role that elites play as intermediaries between commoners and the government, peasant rebellion should also depend on elite-level political considerations, even if commoners attach little importance to these considerations directly. There should be more rebellion where elites are more dissatisfied with the central government (θ_i is low) as this reduces the threat of repression. Furthermore, both direct (ω_i is low) and indirect (θ_i is low) effects should be amplified when the central government is weak (k is low) as this diminishes the ability of the government to enforce compliance among elites.

In the remainder of this paper, we use the model to guide our empirical analysis of rebellion and insurgency in colonial Mexico.

3. Empirical Evidence

Our theory highlights the interplay between localized commoner grievances, regional elite loyalties, and central government resilience in rebellion. In this section, we draw on the theory to investigate instances of unrest — and the absence of unrest — in late colonial Mexico. Our analysis proceeds in two steps. First, we examine spatial and temporal patterns of localized rebellion using panel data from central Mexico from 1680 to 1821. We then expand the analysis to the entire country, focusing on the insurgency that started Mexico's War of Independence in 1810.

3.1 Rebellion in Late Colonial Mexico

The periodic waves of rural revolts in colonial Mexico are poorly explained by solely grievance-based theories of mobilization. Central Mexico experienced over two centuries of relative political calm following the Conquest, despite high levels of oppression, violence, and famine in rural communities (Tutino 1986; Coatsworth 1988; Katz 1988, p. 77). It was not until the 18th century that unrest began to increase.

During this period, the Bourbon monarchy embarked on a series of reforms aimed at modernizing and centralizing the administrative state. The reforms were broad in scope,¹⁰ and they succeeded in modernizing the state and economy in many respects. However, these reforms often came at the expense of regional elites, who had previously enjoyed broad de facto autonomy (Rodríguez 1998; Mahoney 2010; Garfias 2019).

These elites — local merchants, landowners, and mining barons — were an important social constituency for the Crown. In addition to forming the backbone of the commercial economy, they played an important role in maintaining control of the Empire. With little direct military presence on the continent, the central government depended on local elites to finance and organize militias and other repressive institutions to respond to unrest (Archer 1987). Rioting, looting, and violence by peasants often directly impacted elites' person or property. However, even when not directly affected by violence, elites invested in local militias as part of participation in colonial society (Archer 1987). The “alliance for repression” between elites and the central government was crucial to maintaining political control, especially during times of crisis (Tutino 2011, p. 237).

Bourbon state-building efforts tested this alliance. Consolidating functions like tax collection in the state administrative apparatus deprived elites of the rent-seeking opportunities that they had enjoyed under decentralized control. While effective by many measures — notably in increasing revenue

¹⁰Reforms included a reorganization of subnational administration, the suppression of office-selling and new staffing policies for colonial high offices, and the restructuring of tax administration, among others (Brading 1971; Pietschmann 1991).

for the Crown¹¹ — fiscal centralization weakened the political loyalty of provincial elites that had profited from earlier rent-seeking arrangements. This was dangerous from the perspective of social stability as angered elites could renege on their part of the “alliance for repression.” Earlier attempts to limit elite rent-seeking were delayed for this reason (e.g., Tutino 2011). However, centralization accelerated in the late 18th century, after the political challenge of conquering territory had largely subsided and the Crown found itself under increased financial pressure from conflicts in Europe.¹²

This period also saw an increase in peasant rebellion. Local rebellions were seldom oriented toward national politics or directly related to centralization efforts. Taylor (1979, p. 114) describes these events as “localized mass attacks, generally limited to restoring a customary equilibrium,” as opposed to aiming for revolutionary change. The grievances expressed during the uprisings were highly local, often related to anger at perceived encroachment on village lands, at food shortages, or at increased extraction (Taylor 1979; Katz 1988). Most events were restricted to a single community, and nearly all were brought under control within a day or two (Taylor 1979, p. 114; Tutino 1986, p. 42).

Though rebellion was seldom motivated by national- or elite-level factors, our theory illustrates that policies that harm elite interests have downstream implications for the actions of commoners. Peasants’ decision to rebel depends in part on the anticipated response to mobilization. If peasants believe that elites will renege on their repression duties, this lowers the expected costs of rebellion. This may explain why peasant revolts in colonial and pre-colonial Mexico tended to coincide with conflicts between local elites and central or higher-level authorities (Katz 1988).

We examine how low- and higher-level political crises influenced the spatial and temporal patterns of rebellion. By Proposition 2, for a given level of government strength and local elite loyalty to the Crown, rebellion should be more likely where peasant opportunity costs (ω_i) are lower (or, equivalently, grievances are higher¹³). Moreover, conditional on grievance, rebellion should be

¹¹See Section 3.2.

¹²See Appendix B.3 for a discussion.

¹³As noted above, grievances in the model can be thought of as the inverse of opportunity costs ω_i .

more likely when the central government is weaker and where elite loyalties to the Crown are lower (Propositions 1 and 3). To examine these predictions, we digitize data on peasant uprisings in central Mexico and Oaxaca from 1680 to 1810 using information from Taylor (1979). We supplement these data with information on insurgent activity during Mexico’s War of Independence (1810–1821) from Ortiz Escamilla (2014). By combining these datasets, we are able to examine the determinants of both small-scale uprisings that are quickly suppressed by the elite and larger-scale mobilization during a major political crisis. We aggregate the data to the district level, the territorial administrative unit in place by 1786, using the information in Gerhard (1993a). This allows us to use covariates from other sources in our analysis.

We use district-year drought conditions as our measure of peasant conditions, ω_i . Severe drought often led to crop failure (e.g., Florescano 1969), lowering peasants’ opportunity cost of revolt and increasing grievances. Our drought data come from Cook and Krusic (2004), who estimate drought for a series of grid points in North America using tree-ring chronologies. These data are recorded in terms of the Palmer Drought Severity Index (PDSI), a common measure of soil moisture that is standardized to measure deviations in local conditions. Negative values correspond with drier-than-average conditions and positive values with wetter-than-average conditions. We rasterize these data using inverse distance weighting between grid points and then spatially extract the space-weighted average PDSI within each district-year.¹⁴

To examine the relationship between drought and peasant uprisings, we estimate:

$$Rebellion_{i,t} = \beta_0 PDSI_{i,t} + \Theta_t X_i + \Pi U_{i,t} + \lambda_t + \gamma_i + \varepsilon_{it}, \quad (3.1)$$

where $Rebellion_{i,t}$ indicates whether there was any uprising in district i in year t ; $PDSI_{i,t}$ is the space-weighted average PDSI; λ_t and γ_i represent year and district fixed effects; and $\varepsilon_{i,t}$ is an error term. As control variables, we include $U_{i,t}$, the standard deviation of the district’s PDSI (a measure of within-district climatic variation), and X_i , a vector of time-invariant covariates interacted with

¹⁴For an assessment of the reliability of these drought data using modern precipitation figures, see Sellars and Alix-Garcia (2018). In Appendix D, we verify that crop prices increased during periods of drought using data on PDSI and maize prices in Mexico City.

each year indicator. This includes geographic variables (elevation, surface area, whether the district is in a malarial zone, distance to Mexico City, and maize suitability) that may have had a differential effect on the probability of rebellion over time. Elevation and distance data were calculated based on information from the Mexican National Institute for Statistics and Geography (INEGI). The measure of maize suitability is the space-weighted average productivity of rain-fed, low-input maize in the Food and Agriculture Organization's Global Agro-Ecological Zones dataset.

The theory suggests that rebellion should be more likely under worse drought conditions or more negative values of PDSI (i.e., $\beta_0 < 0$). It further suggests that these effects should be amplified where elites are more dissatisfied with rule and where the central government is weak. We present evidence on elite dissatisfaction in the following subsection and investigate here the role of central government weakness k . We examine changes in the effect of drought on rebellion before and after a major shock to higher-level political institutions: the 1808 Napoleonic invasion of Spain, which removed Charles IV from the throne and precipitated a coup and political crisis in Mexico City. These events weakened the imperial state and, importantly for the theory, the perceived resilience of the Crown to elite defections. Aggrieved peasants — even with no direct connection to national politics — should perceive an opening for rebellion as the threat of repression diminished. To examine the effect of government weakness, we modify equation 3.1 by interacting the drought measure, $PDSI_{i,t}$, with a post-1808 crisis indicator. Our theory implies that the coefficient on the interaction term should be negative (i.e., the effect of drought should be larger in magnitude).

The first two columns in Table 1 present results for the pre-1808 crisis period. As expected, the estimates in column 1 show that rebellions were more likely when PDSI was lower. A decline of one within-district standard deviation of average PDSI is associated with a 1.6 percentage point increase in the probability of rebellion. Including controls reduces the magnitude and precision of $\hat{\beta}_0$, though the implied effect is still meaningful (about 10 percent of the within-district baseline probability).

In Columns 3 and 4, we add data for the 1808–1821 period and the post-1808 interaction term. Consistent with the theory, the impact of drought becomes more pronounced following the high-level

Table 1: Drought, Government Strength, and Uprisings in Central Mexico, 1680–1821

	Peasant Uprisings Pre-1808 Coup Period (1680–1808)		Peasant Uprisings Pre-Independence Period (1680–1821)	
	(1)	(2)	(3)	(4)
Avg. PDSI	-0.0080** (0.0036)	-0.0017 (0.0053)	-0.0079** (0.0036)	-0.00082 (0.0052)
Avg. PDSI × Post 1808			-0.019 (0.034)	-0.072* (0.042)
Std. Dev. PDSI	No	Yes	No	Yes
Controls × Year FE	No	Yes	No	Yes
Year FE	Yes	Yes	Yes	Yes
District FE	Yes	Yes	Yes	Yes
Within-District Mean of DV	0.024	0.023	0.029	0.028
Within-District SD of DV	0.13	0.13	0.15	0.14
R sq.	0.057	0.25	0.094	0.30
Observations	3712	3584	4118	3976
Number of districts	29	28	29	28

OLS estimations. See equation (3.1) for the baseline econometric specification. The unit-of-analysis is the district-year. Standard errors (clustered at the district level) in parentheses.

political crisis. After the crisis of 1808, one within-district standard deviation decline in PDSI is associated with an increase of between 5 and 13 percentage points in the probability of rebellion (columns 3 and 4). While the estimates are noisy, the point estimate on the interaction term is statistically distinguishable from zero when including the time-interacted geographic controls (column 4).

These results provide initial empirical support for the theory. Small-scale rebellions were more likely when climate conditions were worse. Though these revolts had substantively little to do with national politics (Taylor 1979), the effect of drought was magnified after the central government was weakened by crisis, which reduced the threat of punishment for defecting elites. The theory produces several additional empirical implications related to the role of local elites. In particular, rebellion should be more likely where elites are dissatisfied with the central government. It is the interplay between subsistence shocks, elite disloyalty, and national weakness that can enable localized rebellion to grow out of control. To assess these implications, we examine how a specific anti-elite reform, the

centralization of *alcabala* tax collection, influenced patterns of rebellion during the Hidalgo Revolt, which sparked Mexico's War of Independence.

3.2 The Hidalgo Revolt

In 1810, Miguel Hidalgo led a rebellion of thousands of peasants in north-central Mexico. Though ultimately unsuccessful, the Hidalgo Revolt represented the most severe challenge to colonial control in centuries. The insurgents quickly captured territory and marched to the edge of Mexico City. However, Hidalgo's rebellion was crushed within a year, and the successful push for independence came later, led by a coalition of conservative elites. Why did Hidalgo's revolt begin when and where it did, and why was it ultimately unsuccessful?

Standard explanations focus on factors at three levels of analysis: national or imperial factors, including central government weakness post-1808 (e.g., Rodríguez 1998); regional elite factors, such as anger over recent reforms (e.g., Hamnett 1986; Pietschmann 1991); and localized peasant concerns, including the subsistence crisis following the famine of 1808 (e.g., Florescano 1969; Tutino 1986; Van Young 2002). The theory in Section 2 formally weaves these explanations together and shows how they interact. The 1808 drought occurred during an especially unfavorable time for the Crown. The decline in elite loyalties due to earlier centralizing reforms and the weakening of the Crown due to external crisis reduced the threat of repression, amplifying the consequences of this subsistence shock. Though evidence suggests that peasant participation in Hidalgo's uprising was motivated by localized concerns rather than higher-level political goals (e.g., Hamnett 1986; Van Young 2002), our theory suggests that national- and elite-level factors were critical in shaping patterns of revolt.

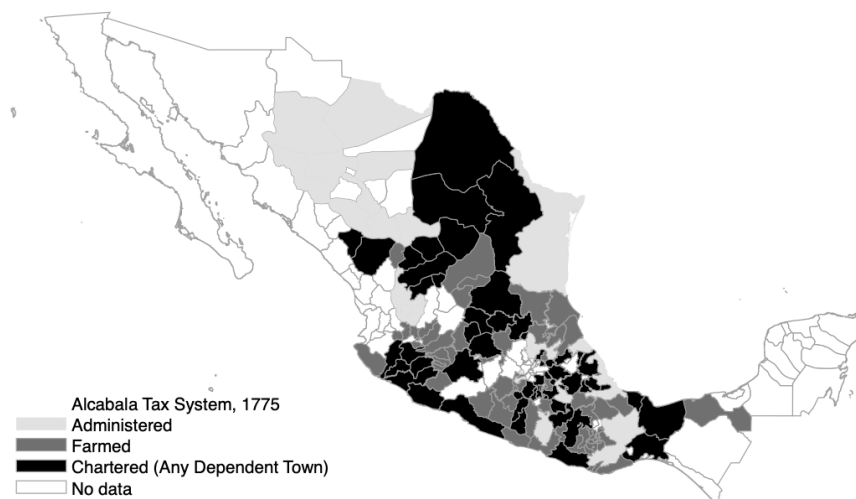
The theory indicates that we should see more rural rebellion in areas where elites harbored worse grievances against the Crown. To evaluate this prediction, we focus on an important reform undertaken by King Charles III in 1776, which centralized the administration of the *alcabala*, a sales and turnover tax.¹⁵ The main objective of the reform had been to raise revenue for the Crown during a time of increased fiscal pressure due to ongoing warfare in Europe. While perhaps successful in

¹⁵We consider a different source of elite discontent, the expulsion of the Jesuits in 1767, in Appendix Section E.1.

this respect, the reform angered local elite intermediaries with important consequences for the later uprising.

The impact of the reform differed across space. Prior to the reform, the *alcabala* was collected in three different ways. In some districts, agents of the Crown — *corregidores* and *alcaldes mayores* — collected the tax directly. In others, the tax was farmed out for a period of time to individual merchants through a bidding process. Finally, some city councils or merchant consortia received fixed-term charters to collect the tax internally (Smith 1948; Litle 1985; Sánchez Santiró 2001). Figure 1 presents the geography of pre-reform tax institutions (see below for information on the construction of this dataset).

Figure 1: Map of Pre-Reform Tax Administration



The earlier choice of tax-collection method was driven by a bidding process. Where no private bids were offered, central authorities would collect the tax directly (generally areas where potential revenue was limited; see Table 2). Indirect collection through tax farms and charters enabled the Crown to avoid incurring the cost of establishing a bureaucratic tax apparatus and created buy-in for royal authority among elite beneficiaries. Elites given the right to enforce local tax policy were both protected from taxation by overzealous officials and able to use their position to extract rents from

Table 2: Alcabala Tax Revenue Before and After Centralization

Type of Tax Administration 1775	Alcabala Tax Revenue (log) 1775	Alcabala Tax Revenue (log) 1778	Districts
	Pre-Centralization, 1775	Post-Centralization	
Direct	7.3	8.1	16
Farmed	7.9	8.6	30
Chartered	8.2	9.1	41
All	8	8.8	87

Note: The sample includes districts with revenue data for both periods and information on pre-centralization type of administration.

other taxpayers.

The 1776 reform eliminated these private tax arrangements. A central administration began collecting the tax across the colony, and tax enforcement increased (e.g., Litle 1985; Garfias 2019). As Table 2 shows, these efforts were successful at increasing revenue collection (see also Sánchez Santiró 2001). However, as a consequential side effect, many regional elites were stripped of a source of revenue and power, increasing their dissatisfaction with the Crown. While the sudden repeal of tax contracts generated forceful legal and political resistance from elites (Sánchez Santiró 2001; Hernández Jaimes 2008),¹⁶ there was no large-scale response from the peasantry.¹⁷

The impact of the reform on revolt, we argue, was felt later, during the crisis sparked by the Napoleonic invasion and the drought of 1808. Our theory predicts that dissatisfied elites who lost access to *alcabala* rents should be less likely to back the government during a crisis. Further, the model suggests that peasants in reform-affected districts should be more likely to rebel, conditional on climate conditions, due to the lower perceived threat of repression in these areas. To assess these predictions, we examine subnational patterns of insurgency during the War of Independence using data from Ortiz Escamilla (2014). As above, the measure of drought severity comes from Cook and Krusic (2004).¹⁸

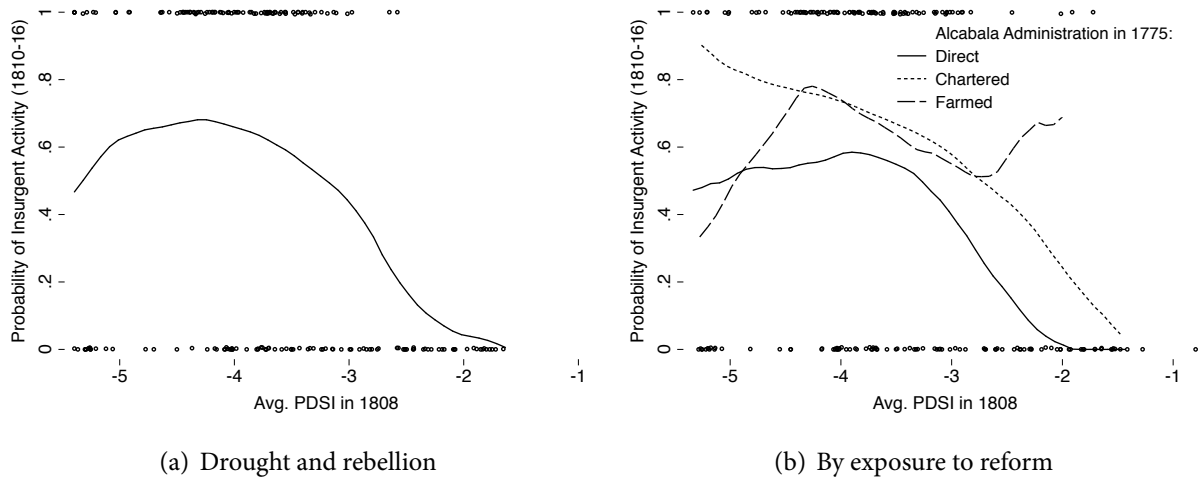
¹⁶While resistance from the mining elite was subdued by the creation of institutions to prevent over-extraction from the mining sector, other elite groups were not similarly appeased (Garfias 2019).

¹⁷By curtailing elite extraction, the reform arguably had an ambiguous effect on the amount of revenue collected from commoners.

¹⁸We exclude the far southeast due to the lack of PDSI data in this region.

To measure of elite exposure to the tax reform, we use colonial administrative data on pre-reform *alcabala* administration to identify the pre-1776 tax-collection arrangement in each district. We construct the data in three steps. First, we identify the type of tax collection by regional customs office in 1775, just prior to the reform, using official data reported in Sánchez Santiró (2001). We then identify the operative area of each customs office through lists of dependent towns in Garavaglia and Grosso (1988). Finally, we georeference each town using information from Gerhard (1993a;b) and Tanck Estrada et al. (2005) to aggregate the data to the 1786 administrative district level (as above).¹⁹

Figure 2: Drought, Exposure to the Bourbon Tax Reform, and Insurgency, 1810-1821



The theory predicts more rebellion in areas experiencing more intense drought in 1808 and in areas where elites had lost profitable tax farms and charters following the tax reform. Figure 2 provides initial graphical evidence on these relationships. In the left panel, we plot the proportion of districts experiencing insurgency over the drought conditions (measured in PDSI) during the 1808 crisis. On the right, we disaggregate districts by pre-reform tax administration. Two clear patterns emerge. First, the probability of experiencing insurgency is higher in areas experiencing a worse subsistence shock in 1808. Second, the districts that were affected by the earlier tax reform — those in which elites

¹⁹If a district contains a customs office, we assign that office’s form of tax collection. If a district does not have a customs office, we aggregate the type of *alcabala* tax collection from dependent towns, giving equal weight to each type (direct, farmed, or chartered).

collected rents through tax farms and charters — display a higher average likelihood of rebellion. This relationship is strongest in districts that had been chartered, the most profitable for elites prior to the *alcabala* centralization (see Table 2).

To more systematically examine these relationships, we estimate conditional correlations between insurgent activity during the rebellion, the severity of the 1808 subsistence shock, and exposure to the tax reform:

$$Rebellion_{i,1810-1821} = \beta_0 PDSI_{i,1808} + \alpha_1 Tax\ Farm_{i,1775} + \alpha_2 Charter_{i,1775} + \Theta_i X_i + \varepsilon_i, \quad (3.2)$$

where $Rebellion_{i,1810-1821}$ indicates that whether district i experienced insurgent activity during the War of Independence (1810–1821); $Tax\ Farm_{i,1775}$ and $Charter_{i,1775}$ are indicators for districts with these forms of indirect tax collection prior to the *alcabala* reform; $PDSI_{i,1808}$ is space-weighted average PDSI during the drought of 1808; X_i is the vector of controls, including pre-reform *alcabala* revenue and the geographic variables discussed above (standard deviation of PDSI in 1808, elevation, surface area, whether the district is in a malarial zone, distance to Mexico City, and maize suitability); and ε_i is the error term.

The results are presented in Table 3. Districts in which the local elite lost control of *alcabala* administration during the reform were substantially more likely to experience insurgent activity relative to areas already under direct administration. These correlations remain stable after conditioning on the geographic covariates and pre-reform *alcabala* revenue (the key determinant of pre-reform institutions). The probability of insurgent activity was also higher where the 1808 drought was more severe, our measure of peasant opportunity costs/grievances. The magnitude of these estimates are comparable to that of column 4 in Table 1. Suggestive evidence on the relationship between drought and rebellion conditional on elite dissatisfaction is weaker, though still somewhat supportive: a one standard deviation drop in PDSI is associated with a 28 percentage-point increase in the probability of rebellion in chartered districts. A differential relationship between drought and insurgency is not evident in previously farmed districts, however, and this coefficient is not precisely estimated.

Table 3: Correlates of Insurgency During Mexico’s Independence War, 1810–1821

	Insurgent Activity, 1810-1821					
	(1)	(2)	(3)	(4)	(5)	(6)
Avg. PDSI in 1808	-0.15*** (0.033)	-0.21*** (0.050)			-0.15** (0.062)	-0.14 (0.10)
Alcabala Chartered in 1775			0.30*** (0.11)	0.26** (0.11)	0.29** (0.14)	-0.25 (0.52)
Chartered × Avg. PDSI in 1808						-0.14 (0.13)
Alcabala Farmed in 1775			0.25** (0.11)	0.23** (0.11)	0.25* (0.15)	0.61 (0.53)
Farmed × Avg. PDSI in 1808						0.093 (0.14)
Alcabala Revenue Pre-Centralization (1775)					0.046 (0.046)	0.043 (0.048)
Std. Dev. PDSI in 1808		1.22*** (0.36)			1.22** (0.47)	1.00* (0.55)
PDSI + PDSI × Chartered						-0.28*** (0.08)
PDSI + PDSI × Farmed						-0.051 (0.10)
Controls	No	Yes	No	Yes	Yes	Yes
Mean of DV	0.50	0.53	0.56	0.58	0.67	0.67
SD of DV	0.50	0.50	0.50	0.49	0.47	0.47
R sq.	0.091	0.23	0.053	0.25	0.28	0.30
Observations	191	178	140	132	83	83

OLS estimations. See equation (3.2) for the econometric specification. Geographic covariates include elevation, surface area, whether the district is in a malarial zone, and distance to Mexico City, and maize suitability. The unit-of-analysis is the district. Robust standard errors in parentheses.

In the Appendix, we present similar results focusing on the consequences of a different anti-elite reform, the expulsion of the Jesuits (Section E.1), and a different source of peasant grievances, the expropriation of indigenous community trusts (Section E.2).

In line with the theory, we see more rebellion where peasant grievances were higher and in areas where elite dissatisfaction with the Crown would have been more acute. Beyond this quantitative evidence, our theory helps to clarify two lingering questions about this context: why anti-elite state-

building reforms were undertaken despite the cost to political stability and why the Hidalgo uprising eventually failed.

Our model, and the extension presented in Appendix B, illustrate why the eventual cost of alienating local elites may not have been immediately obvious. Increasing revenue collection was a key motivation for the *alcabala* reform, and by this measure it was largely successful. The reform did not spark large-scale civil conflict, but by lowering intermediaries' loyalties to the Crown and their stake in the colonial administration, it reduced the resilience of the political order to future crises. When the dual shocks of subsistence crisis and external invasion hit in 1808, elites' willingness to back the Crown was severely tested, and aggrieved commoners began to doubt that revolt would be repressed. Facing likely mobilization at home, elites also began to question whether other elites would be tempted to defect on their peacekeeping duties and whether the weakened government could survive. Because of the positive feedback between elite loyalties, commoner grievances, and government weakness, the consequence of each individual shock was amplified.

Given the confluence of crises in 1808, it is perhaps surprising that Hidalgo's uprising was concentrated in a few regions and put down relatively quickly. The theory sheds light on this question as well. The uprising began in an area, the Bajío region, that both experienced an abnormally severe drought shock in 1808 and was disproportionately affected by the Bourbon reforms. Faced with the challenge of anticipating how elites and peasants elsewhere would react, actors in the Bajío radically underestimated the willingness of elites in other regions to repress the insurgency and overestimated the willingness of distant peasants to join the revolt. Elites elsewhere, however, mostly stayed loyal to the regime. The apparent opening for mass revolt and elite defection was "but a deadly illusion," yet "the clear appearance of that opportunity (however false) was essential to the outbreak of the Hidalgo revolt" (Tutino 1986, p. 100).

4. Discussion

We now consider the scope conditions of our theory and other cases where it could apply.

A few features of the model are worth highlighting. First, the model examines a setting in which local elites act as the government's first line of defense in containing mass rebellion. This is characteristic of contexts where central authorities either cannot or choose not to directly fund or control repressive institutions, and instead delegate day-to-day peacekeeping responsibilities to local potentates. Examples include many hard-to-govern frontier areas, regions under colonial rule, and weakly institutionalized states where central authorities are not able to establish direct control over territory (Gerring et al. 2011; Naseemullah and Staniland 2016). This is a relevant set of cases to examine given the substantive focus on state building as a source of elite grievances. Building state capacity is a challenge because centralization often strips elite intermediaries of power, increasing vulnerability to mass rebellion during localized crises (e.g., Garfias and Sellars n.d.).

A second notable feature of our theory is the somewhat stark assumption that peasants are motivated solely by localized concerns rather than ideology, preferences about regime change, or other broad, national-level considerations. While there is considerable historical support for this assumption in the environment we consider (e.g., Taylor 1979, p. 115–6; Tutino 1986, p. 42), it clearly is not true of all uprisings. However, our focus on localized subsistence shocks as a motivation for revolt can translate to many contexts outside colonial Mexico, as evidenced by the large literature on the relationship between climate and conflict (e.g., Hsiang et al. 2013). Our theory illustrates the importance of considering elite-level politics when thinking about the consequences of subsistence crises in other settings as well.

Finally, though the empirical focus of our paper is peasant revolt in an agrarian society, we believe that the strategic interaction between mass and elite actors and between localized and national motivations for rebellion applies to many other contexts as well. The relationship between elite and mass mobilization has been highlighted in other works (e.g., Moore 1978, p. 191–196; Bueno de Mesquita 2010; Casper and Tyson 2014). Our theory illustrates the role that intermediaries can play in transmitting national crises to commoners and local crises to other elites and the central government. There are many contexts in which central governments depend on the cooperation of intermediary

agents, such as the local bureaucracy or military, to function. Though the institutional environment may be very different, intermediaries may play an important role in linking high- and low-level crises there as well because their behavior influences and is influenced by both local and national-level factors.

The model helps to explain other outbreaks of rebellion, as well as their conspicuous absence, elsewhere in the Spanish Empire. One historical puzzle about Spanish colonial rule is the relative absence of mass revolt despite high peasant grievances (e.g., Tutino 1986, p. 42–3; Katz 1988, p. 5–6). It is notable that two major peasant rebellions in South America — the Tupac Amaru insurgency and the Comunero rebellion — also occurred following the centralization of *alcabala* administration. This reform harmed the interests of elite intermediaries in these contexts as well, opening up an opportunity for rebellion during subsequent subsistence crises (e.g., Coatsworth 1988). A similar link between anti-elite reforms, subsistence crisis, and mass revolt can be seen in Mexico’s 20th-century Revolution. While peasant mobilization was amplified in drought-affected areas (e.g., Dell 2012), the regional patterns of fighting also highlight the role of lingering elite grievances following Porfirian state-building efforts (e.g., Knight 1986, p. 153–155).

5. Conclusion

In this paper, we highlight how state building can backfire, focusing on the complementarity between elite politics, commoner grievances, and central government strength for rebellion. Though efforts to centralize power and build capacity are often undertaken with the objective of strengthening state institutions, these efforts can paradoxically weaken political control by alienating the local elites who serve as important intermediaries between the government and commoners.

In our theory, opportunity costs or grievances are a powerful motivation for popular rebellion. However, we show that national institutions and elite preferences enter into commoners’ calculus, even when they are solely motivated by local concerns. Because elites are concerned with national politics, and because local elites are the repressive force in charge of maintaining local order, commoners nonetheless must consider these broader factors when determining whether to rebel. They

anticipate that they will face less repression when they sense disloyalty among elites and when they know that national institutions may not be capable of punishing elite defection. Likewise, elites strategically consider commoners' preferences when determining whether to remain loyal to the government. Even when they are individually insulated from subsistence shocks or other sources of popular grievances, elites are more likely to defect during times of commoner crisis because they anticipate facing greater rebellion at home. This exacerbates the effects of local crises when the state is weak and when elites are divided: commoners are more likely to rebel not just because of their grievances, but also because they sense a political opportunity as elites become reluctant to take on more costly peacekeeping activities.

We provide support for our theory using subnational panel data on rebellion in colonial Mexico from 1680 to 1821 and on insurgency during Mexico's War of Independence. We show that small-scale peasant rebellions were more common during droughts, but also that the effects of climate shocks increased by an order of magnitude when the strength of the state was weakened by the 1808 Napoleonic invasion and political crisis. During the war, we show that insurgent fighting was more severe in areas subjected to the centralization of the *alcabala* tax in the 1770s, which deprived elites of local revenue and created resentment toward the government.

These findings highlight the interplay between national politics and localized grievances in shaping patterns of rebellion. Because of their critical role as intermediaries between the ruler and commoners, elites can transmit crisis back and forth between the center and periphery. Reforms that target these intermediaries weaken the resilience of the political system to high- and low-level shocks alike.

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