The killing game: A theory of non-democratic succession

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ABSTRACT

The winner of a battle for a throne can either execute or spare the loser; if the loser is spared, he contends the throne in the next period. Executing the losing contender gives the winner a chance to rule uncontested for a while, but then his life is at risk if he loses to some future contender who might be, in equilibrium, too frightened to spare him. The trade-off is analyzed within a dynamic complete information game, with, potentially, an infinite number of long-term players. In an equilibrium, decisions to execute predecessors depend on the predecessors' history of executions. With a dynastic rule in place, incentives to kill the predecessor are much higher than in non-hereditary dictatorships. The historical illustration for our analysis contains a discussion of post-World War II politics of execution of deposed leaders and detailed discussion of non-hereditary military dictatorships in Venezuela in 1830–1964, which witnessed dozens of comebacks and no single political execution.

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> "*Who disagrees with our leadership, will get a spit into his face, a blow onto his chin, and, if necessary, a bullet into his head*".
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> Anastas Mikoyan, a USSR leader, quoting Mehmet Shehu, Albanian Prime Minister, at the 22nd CPSU Congress[1]

1. Introduction

On December 23, 1989, Nicolae Ceauşescu, a Romanian communist leader for 22 years, fled his residence in the presidential palace in Bucharest and was captured by army troops that revolted after mass protests against his rule erupted the day before. On December 25, after a two-hour military trial, he and his wife, a former first deputy prime minister and the President of Romanian Academy of Science, faced a firing squad (Siani-Davies, 2005). What did those who captured and executed Ceauşescu have in mind? Why would not they wait for a regular process of justice, which might have very likely ended the same way?

Scholars of democratic regimes recognized long ago the impact of political competition on both policies pursued by elected individuals and characteristic traits of individuals that are elected. In non-democratic regimes, which have recently become an area of intense interest of economists and political scientists alike, political competition plays an important role

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[1] On December 17, 1981, Mehmet Shehu was found dead in his bedroom with a bullet in his head, and officially declared to commit a suicide. Anastas Mikoyan, the only memver of Soviet leadership serving, without interruption, at top positions under Lenin, Stalin, Khrushev, and Brezhnev, died peacefully at the age of 80.

as well (Tullock, 1987; Acemoglu and Robinson, 2006; Besley and Kudamatsu, 2008; Kotera et al., 2015; Mulligan and Tsui, 2015). We do not study political positioning of contenders to the highest post and processes of coalition formation in dictatorships, though these certainly play a huge role. One reason for this is that basic cleavages, motivations, and tactics involved have certain resemblance – or at least important theoretical parallels – with those employed in well-studied democracies. In contrast, we focus on major decisions that any autocrat, unlike a democratically elected leader, has to make: first, what to do with the predecessor. Second, how to survive if forced out of power.[2]

Unlike democratic leaders, dictators can use imprisonment, torture, and executions of political opponents as means of staying in power; this has been recognized long ago (e.g., Friedrich and Brzezinski, 1956; Bueno de Mesquita et al., 2003; Svolik, 2012). Still, even most powerful dictators that, in principle, have power to use any means to achieve their personal goals, have to weigh expected costs and benefits of their decisions. Then they fail to spare predecessors and unsuccessful contenders as they fear their comebacks, they hire loyal but incompetent subordinates as they fear their betrayal, and they get overthrown as they cannot commit to retire on their own. They interact with other strategic individuals such as their predecessors – even those who are long dead – and their future successors – even those yet unborn, as well as with institutions, both long-term such as dynastic traditions and short-term such as a moratorium on capital punishment.

What is the downside of executing the enemy who lost the power struggle when it is possible to do so and then enjoy a period of quietness? The downside is that in this case, the current decision-maker might be executed himself once removed from power. Sparing the life of a person who lost a fight against the incumbent makes his rule more troubling in the short-run (he will for certain have a powerful competitor alive), but then he will enjoy a higher probability of being spared himself once he loses a fight in the future. Formally, any decision by a rational agent incorporates future enemies' opinion of him as a result of his actions. If dictator A executed his predecessor B, then dictator C, who eventually takes over A, is likely to kill A, being concerned about bloody reputation of A. This reputation would indeed matter for C, the decision-maker at the moment, since if A is spared then, upon taking power back from C, A would likely execute C. (Or, more precisely, this is what C would most naturally expect from A basing on A's reputation.) One immediate result is that once somebody takes over a bloody dictator, he might be 'bound' to become a bloody dictator himself.

This basic logic provides an immediate history-dependence: the current winner values his options differently depending on the type of his fallen enemy. It is an illustrative example of understanding institutions as equilibria, which elicit and pattern behavior of rational agents (Bates et al., 1998, see also North, 1981; Greif, 1997). Concepts of path-dependence of economic processes and multiple equilibria are inter-related since the pioneering work of Douglass North (North, 1981, 1990).[3] Acemoglu and Robinson (2001, 2003); see also Bueno de Mesquita et al. (2003), Lagunoff (2004) and Acemoglu and Robinson (2006) have developed a workable framework for dynamic analysis of political development.[4] However, the reliance on Markov-type dynamic models limit the ability of these theories to focus on mechanisms of path-dependence. Our focus on equilibrium reputational concerns allows us to go beyond the existing models by explicitly demonstrating the workings of such a mechanism.

Our institutional focus on a single decision – to kill or to spare – is obviously very limited, especially when contrasted to big institutional economics issues such as political economy of property rights or organization of trade (e.g. Greif, 2004). However, it is not without some clear advantages. First, historians working with large (or potentially large) and heterogenous data bases are often overwhelmed with the identification problem.[5] For example, any analysis of interaction between the leadership turnover and economic progress involves numerous idiosyncratic decisions on the researcher part even at the stage of data collection. With respect to killings, historical sources are less ambiguous: in most cases, there is no doubt whether an individual was or was not killed. (Motives of players are of course much more ambiguous, and are subject to various interpretations.) Second, a narrowly defined issue allows to broaden the base of sources for historic narratives to provide comparisons across regimes, space, and time, both historical and physical.

In our theory, the cost of executing a certain action is associated with the equilibrium response of a future player. There is a long tradition in economic science to study reputation in games with incomplete information, starting from seminal contributions of Kreps and Wilson (1982) and Milgrom and Roberts (1982). Here, we depart from this tradition and argue that many behavioral aspects of reputation could be successfully studied in a complete information environment.[6] Instead of keeping track of beliefs, we focus on equilibrium actions: the number of times a given politician has executed in the past. It is natural to think about one's history of executions as an important state variable; just as a person's propensity to commit a new crime depends on his criminal background. We show that every equilibrium has the following structure: each additional murder implies a higher probability of being punished (so there is no forgiveness or indulgence), until the

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[2] Recent theoretical studies of dynamics of non-democratic politics include Acemoglu and Robinson (2006), Acemoglu et al. (2004), Besley and Kudamatsu (2008), Bueno de Mesquita et al. (2003); Egorov and Sonin (2014), Padro i Miquel (2007), Svolik (2008, 2009) and Londregan (2015).

[3] As a theoretical concept, multiple equilibria appeared earlier. In the field of development, first models of multiple equilibria include Murphy et al. (1989, 1993).

[4] In Egorov and Sonin (2011), the dictator's strategy motivated by the desire to survive is analyzed within such a framework.

[5] See a note on General Blanco's life in Section 2, which, depending on different plausible interpretations, gives rise to markedly different succession lines in Venezuela.

[6] Bates et al. (2000), in an effort to justify their Analytical Narrative approach (Bates et al., 1998, 2000), argue that any use of model of incomplete information in a historical or political study should be avoided unless this "would imply ignoring a central feature of the puzzle under investigation".