MANUFACTURED GRIEVANCES

and Regime Survival

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Motivation

- Dictatorships often endure despite poor performance/economic suffering
- In some cases, it appears that regimes deliberately impose hardship on select groups
  - Stalin's Holodomor
  - Mao's Great Leap Forward
- Is this *just* incompetence, ideological extremism, or pure repression?
- THIS PAPER: manufacturing grievances is an optimal regime survival tool

Main Mechanism

manufacture grievances for select population groups

$\Longrightarrow$ harder for citizens to know if their hardship is isolated or widespread

$\Longrightarrow$ harder for them to coordinate on a protest

- a new form of "**divide and rule**" strategy
  - pit groups against each other to maintain power (Miquel, 2007, Egorov, Guriev, and Sonin, 2009)

Related Literature

- uncertainty makes it harder for citizens to coordinate on protest
  - ◇ Mesquita (2010), Shadmehr & Bernhardt (2011); Casper & Tyson (2014)

- propaganda, censorship and media control are examples of regime's optimal *information* manipulation policies
  - ◇ Edmond (2013); Goldstein & Huang (2016), Li, Song & Zhao (2023)); Inostroza & Pavan (2023); Morris, Oyama & Takahashi (2024)

THIS PAPER: **regime manipulates citizens' actual payoffs**

- that *creates uncertainty* even if citizen's do not question regime's strength or value of revolution etc.

Model

Overview

- Players: **regime** (it) and $n \geq 2$ **citizens**
  - *this talk*: $n = 3$, Alice, Bob and Charlie
- Citizens care about their welfare outcomes
  - which can be low ($l < 0$) or high ($h > 0$)
- Regime manipulates welfare outcomes in order to survive
- Citizens play a coordination game of regime change

Timeline

- Nature draws a vector of initial welfare outcomes x
  - $x = (h, \ldots, h)$ w/ prob. $q \in (0, 1)$ — *"oil prices are high"*
  - $x = (l, \ldots, l)$ w/ prob. $1 - q$ — *"oil prices are low"*

Timeline

- Regime commits to **manipulation strategy** $\sigma(x)$
  - cannot manipulate $x = (l, \ldots, l)$
  - $y = \sigma(x)$ is prob. that $(h, \ldots, h)$ is manipulated to y
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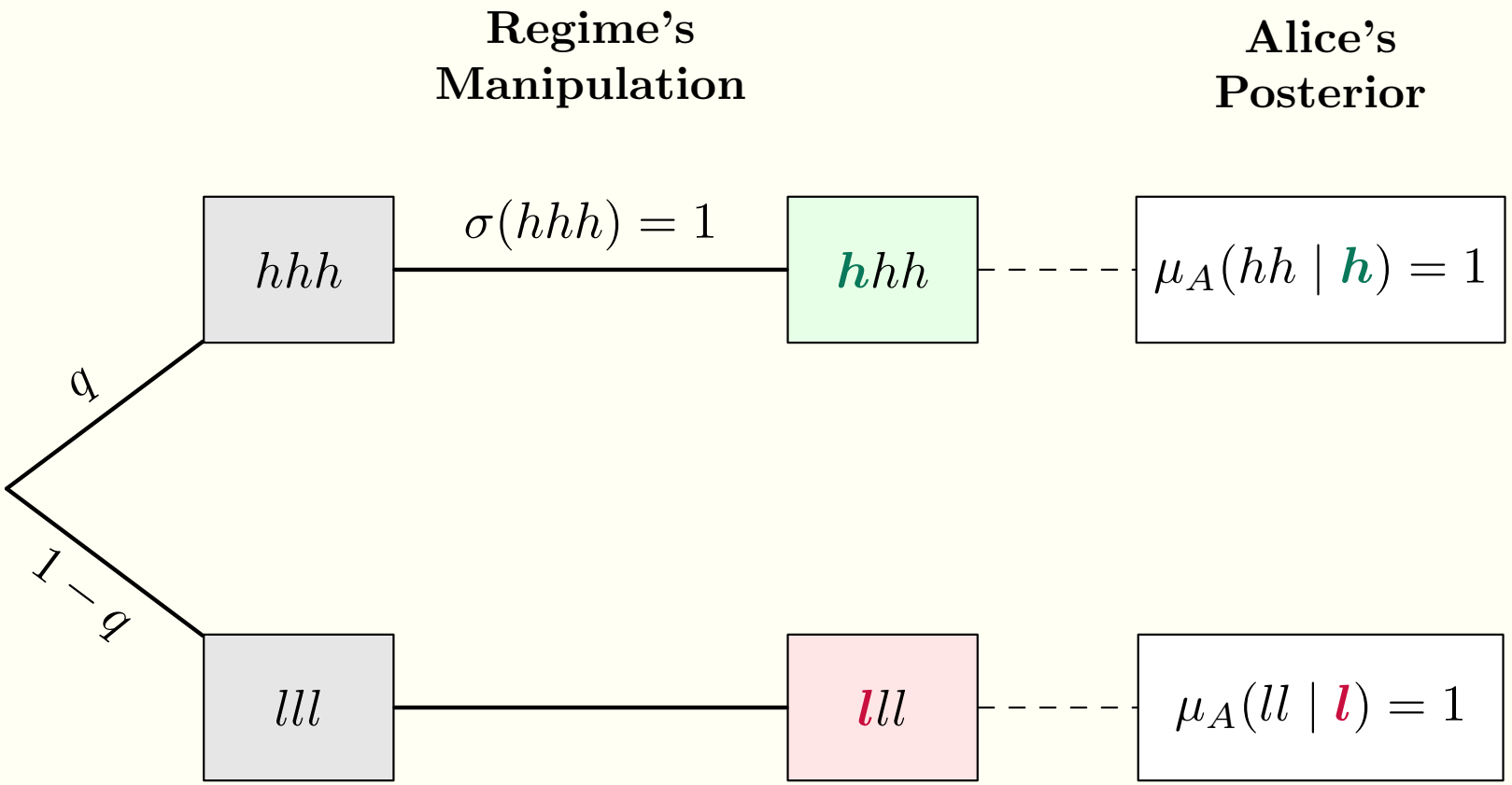
- Nature draws vector of manipulated welfare outcomes $y \sim \sigma(x)$
- Citizen i observes σ and (manipulated) y_i
  - forms posterior belief $\mu_i(\cdot \mid y_i; \sigma)$ about welfare outcomes y_{-i} of others

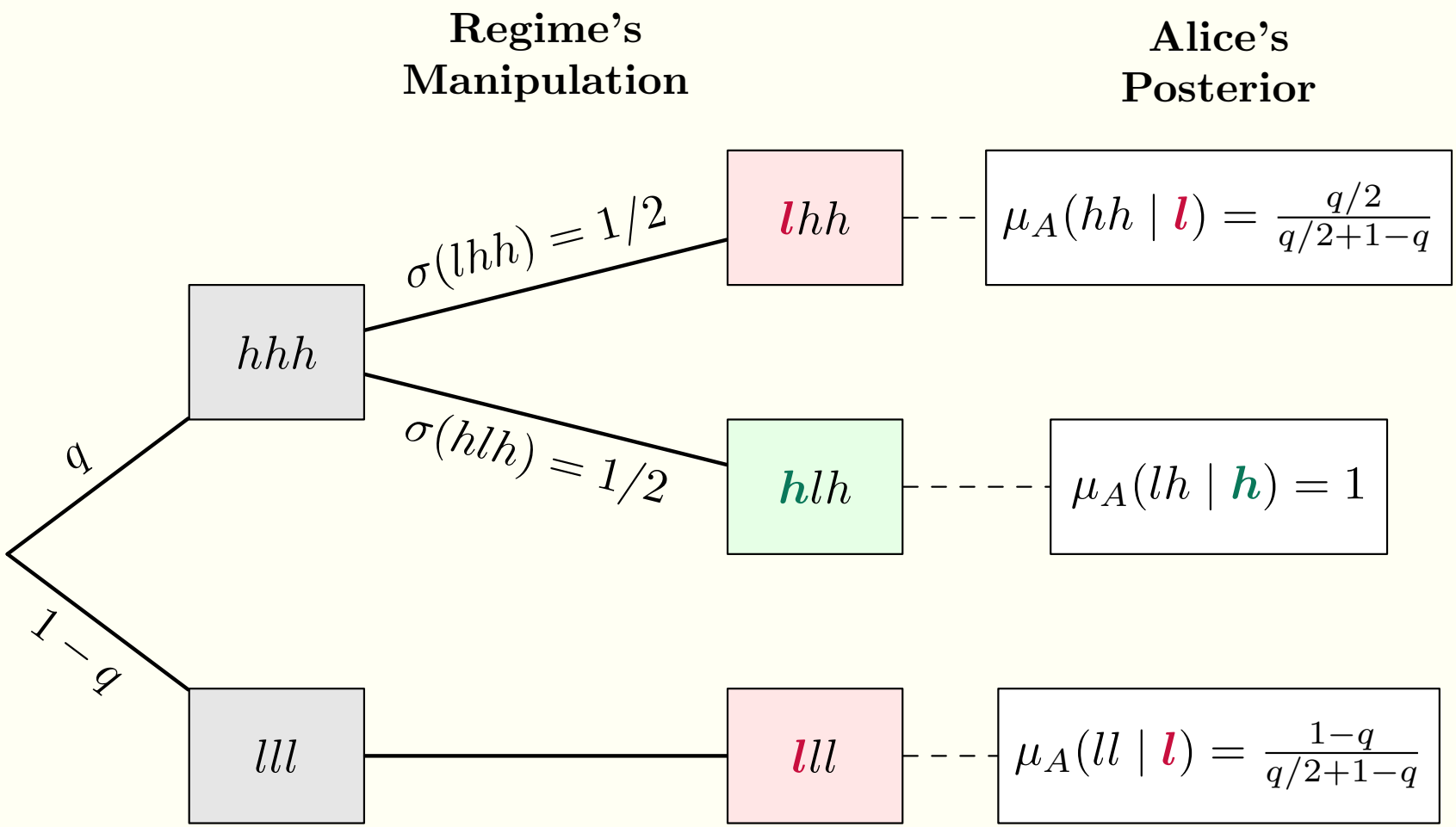
Manipulation Strategy: Example 1

no manipulation



Manipulation Strategy: Example 2

randomly lower Alice's or Bob's welfare outcome



Coordination Game of Regime Change

- citizen i chooses between attacking ($a_i = 1$) and abstaining ($a_i = 0$)
- regime **changes/falls** iff k or more citizens attack
  - *this talk*: $k = 2$
- i's best response is
  - abstain if $y_i = h$
  - attack if $y_i = l$ and $\Pr(\text{at least } k-1 \text{ others attack}) \geq c/|l|$

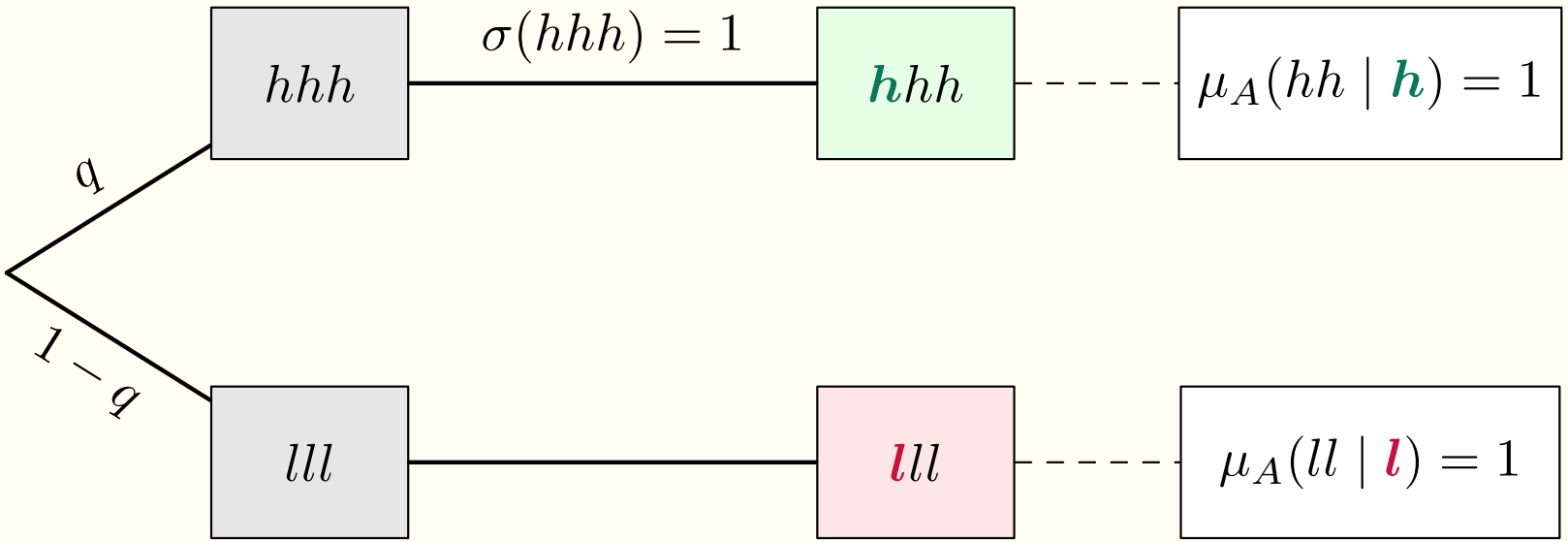
Solution Concept

- regime chooses optimal σ that maximizes ex-ante probability of survival
- for each σ, citizens play most threatening BNE of $\mathcal{G}(\sigma)$
  - BNE with the highest number of attackers

Note: citizen's strategy is her action after observing $y_i = l$

Analysis

MTE example: No Manipulation



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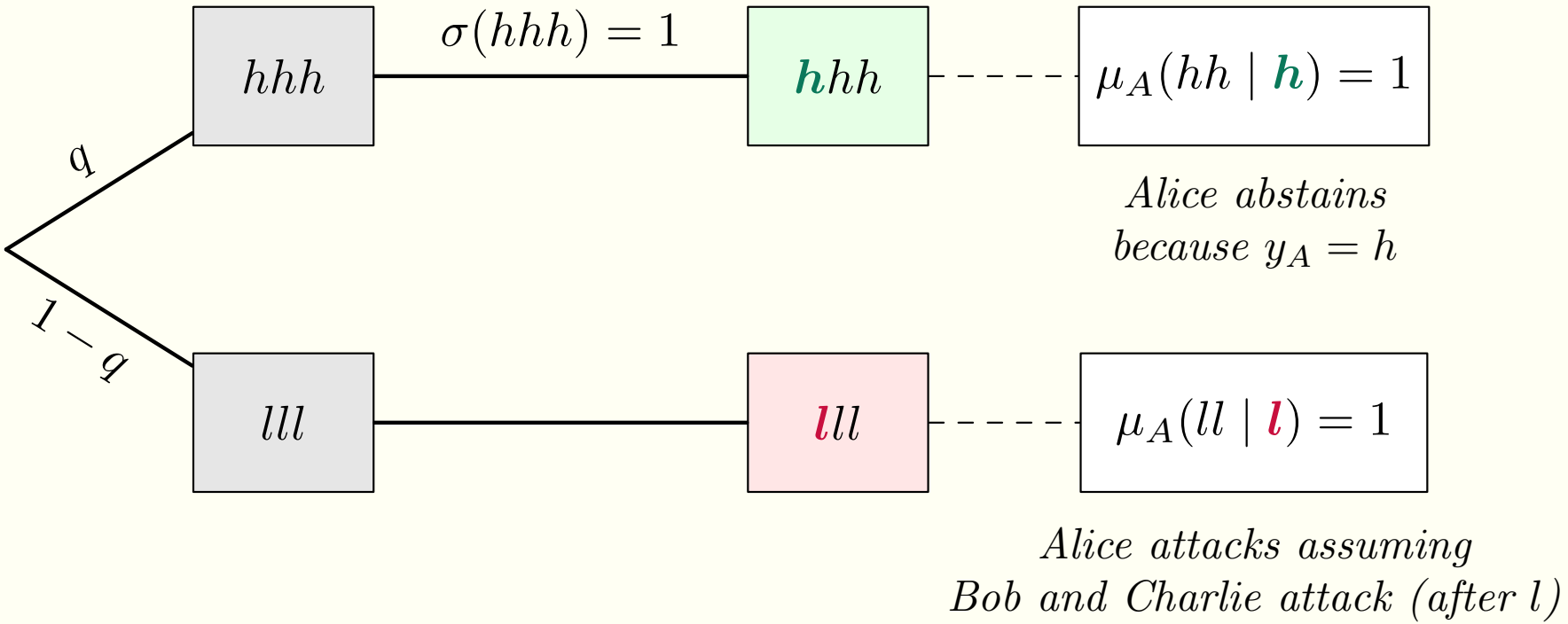

- w/ prob $1 - q$, citizens coordinate and charge regime
- regime survives w/ prob q (which is now a lower bound)

Optimal Manipulation Strategy σ^*

- Let σ^* be
  1) select a targeted set T of $n-k+1$ citizens
  2) lower welfare outcomes for $k-1$ citizens out of T w/ prob $\frac{k-1}{n-k+1}$
     - *this talk*: lower welfare outcome for Alice or Bob w/ prob $1/2$

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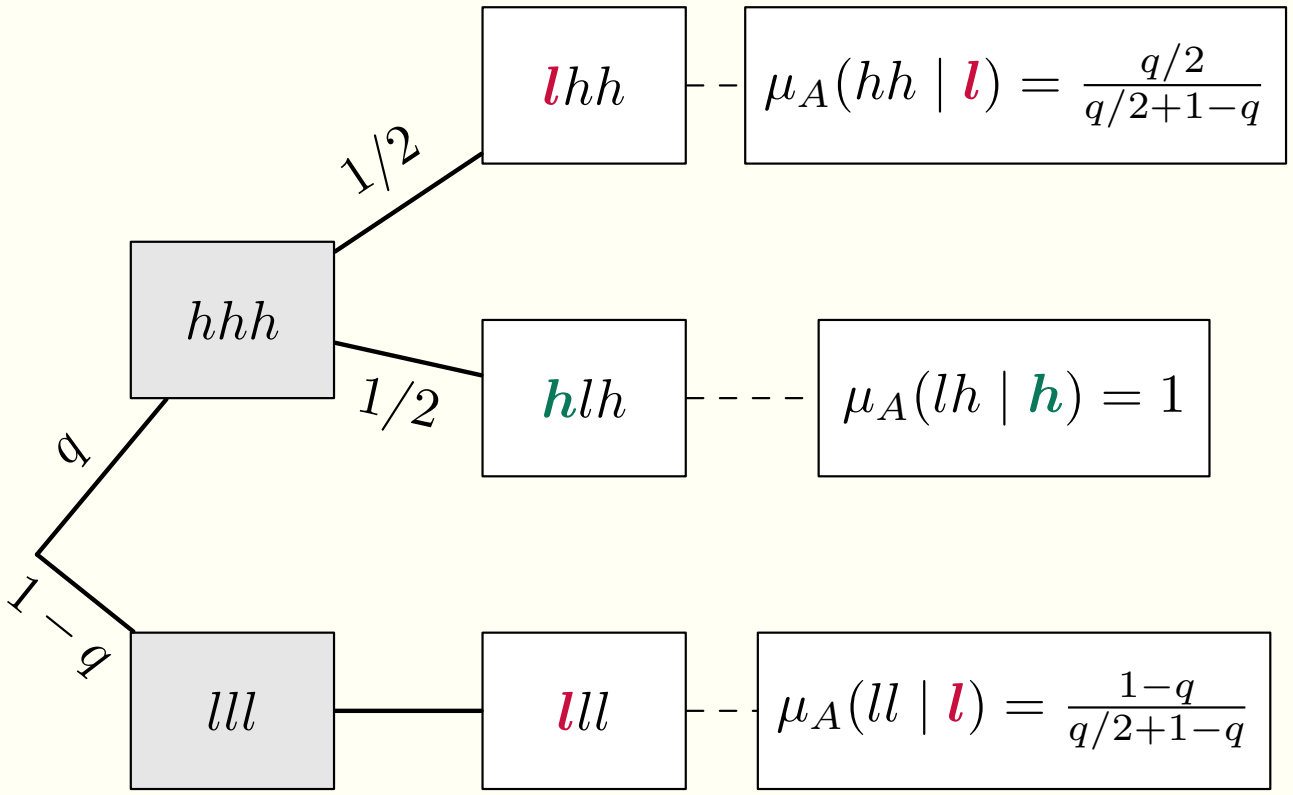
Main Result:

- σ^* is an optimal manipulation strategy
- regime's ex-ante probability of survival is

$$\mathbf{1} \quad \text{if} \quad \frac{1-q}{\max\left\{q\frac{k-1}{n-k+1}, 1\right\} + 1 - q} < \frac{c}{|l|} \qquad \text{and} \qquad \boldsymbol{q} \quad \text{otherwise}$$

Intuition of the Main Result



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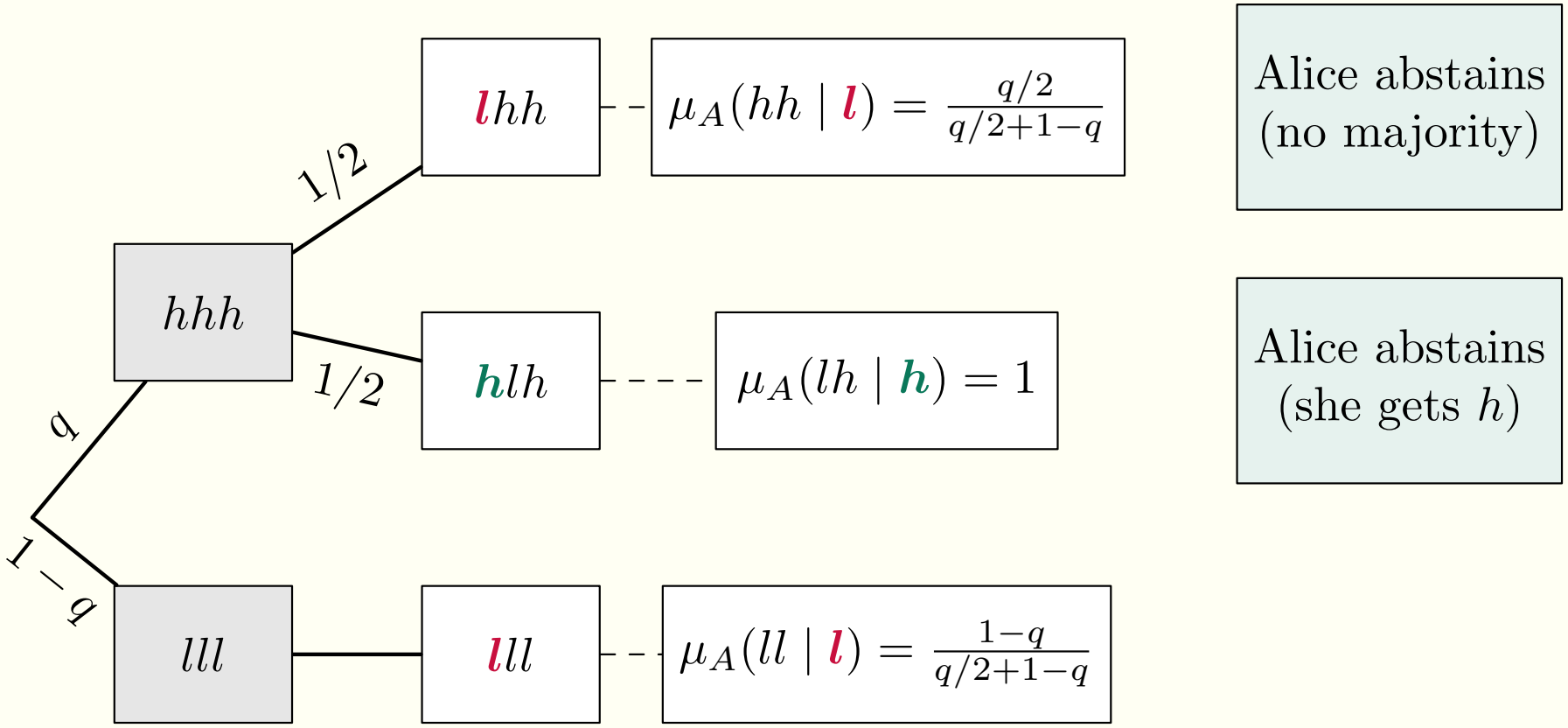

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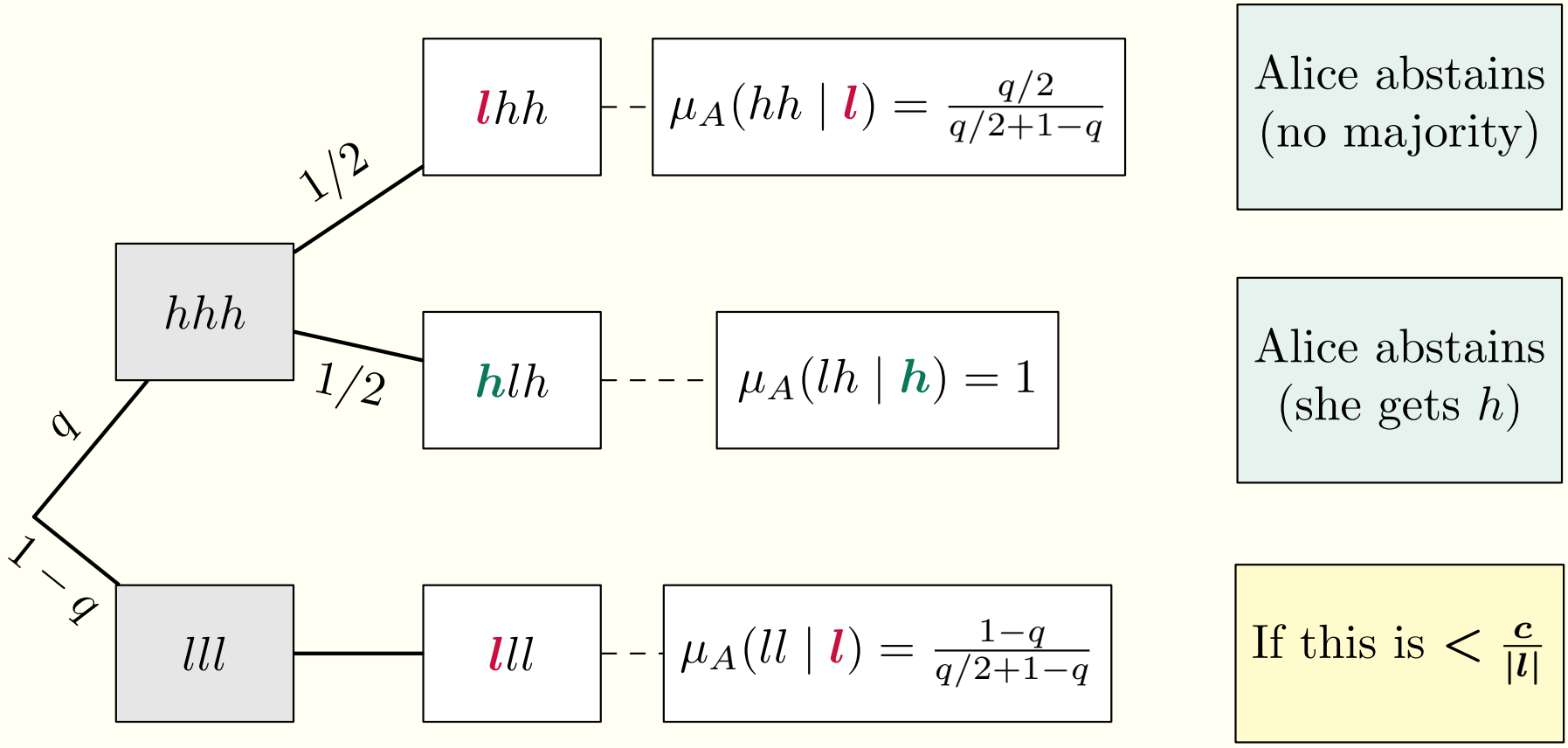

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Comparative Statics

- regime survives w/ prob 1 if

$$\frac{1-q}{\max\left\{q\frac{k-1}{n-k+1},1\right\}+1-q} < \frac{c}{|l|}$$

- regime is more likely to guarantee survival if
  - c increases
  - $|l|$ decreases

  $\}\rightarrow$ costlier attacks
  - q increases

  $\}\rightarrow$ event that grievances are shared is less likely
  - n decreases
  - k increases

  $\}\rightarrow$ event that grievances are isolated is more likely

Conclusion

- manufacturing grievances is an optimal strategy of regime survival
  - makes it harder for citizens to know if their hardships are isolated or widespread
  - suppresses collective action

Thank You!

What if $\frac{k-1}{n-k+1} \geq 1$?

- then, optimal σ^* is
  1. select a targeted set T of $n-k+1$ citizens *(same as before)*
  2. lower welfare outcomes for all of them

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Citizens' Payoffs in the Coordination Game

- payoffs are

	Regime Change ($\lvert a\rvert \geq k$)	Status Quo ($\lvert a\rvert < k$)
$a_i = 1$ (i attacks)	$-c$	$y_i - c$
$a_i = 0$ (i abstains)	y_i	y_i

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