War is Bad Advice: Dictators, Cronyism and War

Mitch Radtke

Texas A&M University
EITM Summer Institute
University of Houston
Houston, TX

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Overview of Presentation

1. Overview of Dissertation
2. Theoretical Model from Chapter 2
3. Insights and Hypotheses
4. Data and Operationalization of Concepts
5. Initial Results and Conclusions
6. Ways Forward
Overview of Dissertation in Five Minutes

Puzzle

- Rationalist explanation of war: Incomplete information (Fearon 1995)
  - Probability of victory and resolve

- The connection between regime type and war
  - Democratic peace
  - Aggressive dictatorships and revolutionary leaders
  - Democracies more likely to win wars

- Research questions:
  - If war is about underestimation and misperception, then why are certain regimes more prone to war?
  - Why would certain regimes be more likely to misperceive or be misperceived? (Gartzke 1999)
  - Why are democracies more likely to win wars?
Overview of Dissertation in Five Minutes

Previous Explanation: Audience Costs

- Certain types of regimes are more likely to be misperceived in crisis settings

- Dubious explanation
  - Rests on unproven assumptions about democratic public opinion and threat credibility (Snyder and Borghard 2011; Levendusky and Horowitz 2012; Potter and Baum 2013)
  - Little evidence of their existence in historical cases (Snyder and Borghard 2011; Trachtenberg 2011)
  - Results not found when casual mechanism directly tested (Downs and Sechser 2012)
  - Doesn’t explain why certain autocracies are more likely to go to war (Weeks 2008 notwithstanding)
Overview of Dissertation in Five Minutes

Motivation of New Theory

- Personalized dictatorships likely conflict initiators (Reiter and Stam 2003; Peceny, et al 2003; Weeks 2012; Colgan and Weeks 2014)

- Highly salient cases: Gulf War (Hussein) and Suez Crisis (Nasser)

- **Switch thinking to what type of regimes are likely to misperceive**
Overview of Dissertation in Five Minutes

Theory

- Personalist Dictatorships
  - Nearly two-thirds of dictators are removed by internal coup (Svolik 2009)
  - Removal of dictators results in extreme consequences: death and exile (Chiozza and Goemans 2011)
  - Fear and paranoia consume these leaders
  - This fear produces two common types of behaviors for dictators:
    - They fill their inner circle with loyalists, relatives and cronies as advisors.
    - Use threats and intimidation against their inner circle to discourage overthrow.
Overview of Dissertation in Five Minutes

Cronies and Crisis Bargaining

- Advisors are incompetent and find it difficult to give accurate assessments of the balance of capabilities and the opponent’s potential resolve.
- Fear prevents even competent advisors from providing unfavorable opinions and advice, which leads to groupthink and feelings of invincibility.
- More personalized regimes form overly optimistic beliefs about probability of victory and underestimate the opponent’s resolve.
  - Too high of a reservation cost is set and bargaining range closes.
  - The opponent’s reservation cost is underestimated leading to an unwillingness to agree to suitable peace arrangements.
Overview of Dissertation in Five Minutes

Data
- Data already collected on 2052 defense ministers to code the crony nature of the leader’s advisors. It will be extended for country’s foreign ministers.
- Militarized Interstate Dispute Dataset
- Correlates of War Interstate War Dataset
- International Crisis Behavior Project: Accounts for crisis selection and crisis bargaining failure

Analysis
- Logit models on monadic, directed and non-directed dyadic datasets
  - DV: Conflict Occurrence/Initiation variables, Cronyism, Purges
- Results and Conclusion
  - More personalist regimes are more likely to have crony or fearful advisors
  - Countries with crony and fearful advisors are more likely to experience conflict, particularly asymmetrical
Overview of Dissertation in Five Minutes

Chapters

1. Introduction
2. Personalism and the Inner Circle
   - Formal Model
   - Empirical Tests
3. Cronyism, Intimidation and War
   - Formal Model?
   - Empirical Tests
4. Effect of Advisors during Crises
   - Case studies
     - Suez Crisis
     - Gulf War Crisis
     - Cuban Missile Crisis
5. Conclusion
Chapter 2: EITM Approach

- **EITM Step 1:** Given that the inner circle comprises the largest threat to dictators and the eventual costs of removal are extreme, dictators have an incentive to place greater importance on loyalty than competence for their advisors
  - Theoretical concept: Decision Theory; Strategic Interaction
  - Statistical concept: Discrete Choice

- **EITM Step 2:**
  - Behavioral analogue: Utility maximization
  - Statistical analogue: Discrete choice modeling (Logistic or Probit Models)

- **EITM Step 3:**
  - **H1:** The more personalist the regime, the more likely that they will have crony advisors.
  - **H2:** The more personalist the regime, the more likely that the leader will conduct purges (imprison or kill those in the inner circle).
The Intuition

- Wintrobe (1998, 22): “Instead of trust or love, the tyrant’s life is governed by fear.”

- Loyalty/Incompetence Tradeoff (Egorov and Sonin 2011)
Real World Examples of Cronyism

- **Gamal Abder Nasser**
  - Defense Minister was Mohamed Abdel Hakim Amer
    - Part of the military coup that placed Nasser in power
    - Immediately rose four military ranks after Nasser came in power and promoted due to close friendship
    - Grossly incompetent and a drunkard (Varble 2003)

- **Saddam Hussein**
  - In an interview after he defected, former Minister of Military Industries Hussein Kamel Hassan al-Majid (as well as second cousin and son-in-law) made the following statement: “This is what made me leave the country, the fact that Saddam Hussein surrounds himself with inefficient ministers and advisers who are not chosen for their competence but according to the whims of the Iraqi president” (Sadler 1995).
Real World Examples of Advisor Intimidation:

- **Saddam Hussein**

  - *Iraqi Perspectives Project* (2007, ix): “Exacerbating all these difficulties was the atmosphere of fear that Saddam instilled throughout his civil and military bureaucracies. Iraqis at all levels understood that in his regime that the bearer of bad news was in almost every case punished severely. When Saddam developed a military plan for Iraq’s defense that made no military sense, his generals will few exceptions applauded his decisions.”

  - *Saddam Tapes* (Woods, et al 2012): Saddam was almost certain that his Iraqi forces would prevail against the United States and found excuses for why the United States’ military superiority was overstated. During these meetings, most of Saddam’s senior military leadership continuously agreed with Saddam’s outlandish statements regarding the United States’ weak resolve, the unimportance of military technology and the superior morale and fighting spirit of his Republican Guard.
Variation in Advisors:

- **Nikita Khruschev**
  - Rodion Malinovsky was Defense Minister
    - Highly competent and largely responsible for the modernization of the Soviet army
  - After his removal, Khruschev told a friend: “I’m old and tired. Let them cope by themselves. I’ve done the main thing. Could anyone have dreamed of telling Stalin that he didn’t suit us anymore and suggesting he retire? Not even a wet spot would have remained where we had been standing. Now everything is different. The fear is gone, and we can talk as equals. That’s my contribution. I won’t put up a fight (Taubman 2003).”
Theoretical Model

- Players
  - The Autocrat
  - The Advisor

- Information
  - Complete

- Moves:
  1. First the autocrat chooses his share of power \((s)\) and consequently what is left for the inner circle \((1-s)\). If he chooses to give himself more than half of the power, the regime is personalist. If he gives himself half or less, then the regime is institutionalized.
  2. The autocrat then chooses whether to have a crony or competent advisor. It is assumed here that there is a tradeoff. The leader cannot employ a competent, crony advisor.
  3. Then the advisor chooses whether to remove (a lottery) or retain the leader.
Theoretical Model

- Outcomes and Payoffs:
  - Personalist Removal by Competent Advisor:
    - Autocrat: \((\theta_{Cp})(-R_{PER}) + (1 - \theta_{Cp})s(1 + \Delta) - \frac{\theta_{Cp}}{1-s}\)
    - Advisor: \((\theta_{Cp})s(1 + \Delta) + (1 - \theta_{Cp})(-R_{ADV})\)
  - Personalist Removal by Crony Advisor:
    - Autocrat: \((\theta_{Cr})(-R_{PER}) + (1 - \theta_{Cr})s(1 - \Delta)\)
    - Advisor: \((\theta_{Cr})s(1 - \Delta) + (1 - \theta_{Cr})(-R_{ADV})\)

- Probabilities of Successful Removal: \(0 < \theta_{Cr} < \theta_{Cp} < 1\)
- Removal Payoff for Personalist: \(R_{PER}\) is an arbitrarily large number
- Autocrat’s share of power: \(0 \leq s \leq 1\)
- The payoff for holding total power is normalized to 1.
- Change in the power payoff associated with advisor’s competence: \(\Delta \leq 1/2\)
- Removal Payoff for Advisor: \(R_{ADV} \geq 0\)
Theoretical Model

Outcomes and Payoffs:

- **Personalist Non-Removal by Competent Advisor:**
  
  Autocrat: \( s(1 + \Delta) - \frac{\theta_{Cp}}{1-s} \)
  
  Advisor: \( \frac{(1-s)}{IC(1+\Delta)} \)

- **Personalist Non-Removal by Crony Advisor:**
  
  Autocrat: \( s(1 - \Delta) \)
  
  Advisor: \( \frac{(1-s)}{IC(1-\Delta)} \)

Size of Inner Circle: \( IC > \frac{2(1+\Delta)}{(1-\Delta)} \), which essentially means \( IC > 6 \)

Paranoia term: \( \frac{-\theta_{Cp}}{1-s} = \frac{1}{((1 - s)(R_{PER}))}*(-R_{PER})(\theta_{Cp}) \)
Theoretical Model

- Outcomes and Payoffs:
  - Institutionalized Removal by Competent Advisor:
    - Autocrat: \( (\theta_{cp})(-R_{INS}) + (1 - \theta_{cp})(\frac{(1+\Delta)}{IC}) \)
    - Advisor: \( (\theta_{cp})(\frac{(1+\Delta)}{IC}) + (1 - \theta_{cp})(-R_{ADV}) \)
  - Institutionalized Removal by Crony Advisor:
    - Autocrat: \( (\theta_{cr})(-R_{INS}) + (1 - \theta_{cr})(\frac{(1-\Delta)}{IC}) \)
    - Advisor: \( (\theta_{cr})(\frac{(1-\Delta)}{IC}) + (1 - \theta_{cr})(-R_{ADV}) \)
  - Institutionalized Non-Removal by Competent Advisor:
    - Autocrat: \( (1+\Delta) \frac{1}{IC} \)
    - Advisor: \( (1+\Delta) \frac{1}{IC} \)
  - Institutionalized Non-Removal by Crony Advisor:
    - Autocrat: \( (1-\Delta) \frac{1}{IC} \)
    - Advisor: \( (1-\Delta) \frac{1}{IC} \)
  - Removal Payoff for Institutionalized Autocrat: \( R_{INS} \geq 0 \)
Theoretical Model

War is Bad Advice
Theoretical Model

- When indifferent between two options, the player chooses the safer option:
  - $\sim \text{Removal} > \text{Removal}$
  - $\text{Crony} > \text{Competent}$

- No Removal in Equilibria
Solution

- Crony Cutoff for Removal:
  \[
  1 + \frac{(R_{ADV})(1-\theta_{Cr})(IC)}{1-\Delta} \cdot \frac{1}{(1+(\theta_{Cr})IC)} : k_{Cr} < s
  \]

- Competent Cutoff for Removal:
  \[
  1 + \frac{(R_{ADV})(1-\theta_{Cp})(IC)}{1+\Delta} \cdot \frac{1}{(1+(\theta_{Cp})IC)} : k_{Cp} < s
  \]

\[k_{Cr} > k_{Cp}\]
Characterization of the Equilibria

Fully Personalist (s=1):

Crony:

- If the following condition holds:
  - \( k_{Cr} \geq 1, k_{Cp} \geq 1 \)
  - \( k_{Cr} \geq 1, \frac{1}{1 + \frac{\theta_{Cp}}{2\Delta}} \leq k_{Cp} \)
  - \( k_{Cr} \geq 1, k_{Cp} \leq \frac{(1-\Delta)}{1+\Delta - \frac{\theta_{Cp}}{k_{Cp}^2}} \)
  - \( k_{Cr} \geq 1, k_{Cp} \leq 1/2 \)
Characterization of the Equilibria

Semi-Personalist (\(1/2 < s < 1\)):

Crony (\(s = k_{Cr}\)):

- If one of the following conditions holds:
  - \(\frac{1}{1 + \frac{\theta_{Cp}}{2\Delta}} \leq k_{Cp}\)
  - \(k_{Cp} \leq \frac{k_{Cr}(1-\Delta)}{1+\Delta - \frac{\theta_{Cp}}{k_{Cp}^2}}\)
  - \(k_{Cp} \leq 1/2\)
Characterization of the Equilibria

Semi-Personalist \((1/2 < s < 1)\):

Competent \((s = k_{Cp})\):

- If one of the following condition holds:
  - \(k_{Cr} > 1\), \(\frac{1}{1+\frac{\theta_{Cp}}{2\Delta}} > k_{Cp} > \frac{(1-\Delta)}{1+\Delta-\frac{\theta_{Cp}}{k_{Cp}^2}}\)
  - \(1 \geq k_{Cr} > 1/2\), \(\frac{1}{1+\frac{\theta_{Cp}}{2\Delta}} > k_{Cp} > \frac{k_{Cr}(1-\Delta)}{1+\Delta-\frac{\theta_{Cp}}{k_{Cp}^2}}\)
Equilibria

Institutionalized \((s \leq 1/2)\):

Competent \((s \text{ can be anything below } 1/2)\):

- *If the following condition holds:*
  - \(k_{Cr} \leq 1/2, k_{Cp} \leq 1/2\)
### Characterization of Equilibria

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**Notes:**
- $S = K_{Cr}$ indicates a Crony equilibrium.
- $S = 1$ indicates a competent equilibrium.
- $S = K_{CP}$ indicates a mixed equilibrium.

**Additional Note:**
- War is Bad Advice
Empirical Implications from Model

- $s=$ Share of Government: Degree of Personalism

- Results from Models
  - Fully Personalist ($s=1$), always crony advisor
  - Semi-Personalist ($\frac{1}{2} < s < 1$), could be either
  - Institutionalized ($s \leq \frac{1}{2}$), always competent advisor

- As $s$ increases (degree of personalism), the probability of crony advisors increases.
Empirical Implications from Model

- As $k_{Cr}$ increases, leaders are better able to increase their share of power.

$$\frac{\partial k_{Cr}}{\partial R_{ADV}} = \frac{(1-\theta_{Cr})IC}{(1-\Delta)(1+(\theta_{Cr})IC)}$$

- Since $0 < \theta_{Cr} < 1$, $IC > 0$ and $\Delta < 1$, the partial derivative is positive.

- As the punishment for advisors increases ($R_{ADV}$), so does the leader’s share of power.

- Extreme punishment (purge=jailed or killed) more likely as personalism increases.
Hypotheses

- **H1**: The more personalist the regime, the more likely that they will have crony advisors.
- **H2**: The more personalist the regime, the more likely that the leader will conduct purges (imprison or kill those in the inner circle).
Dependent Variables:


- Nepotism

- Crony Advisor
  - Does the Defense Minister have a close friendship with leader that began before (or very early on) in their political or military careers?
  - Was the Defense Minister promoted rapidly through military ranks or political office during the leader’s tenure?
  - Did the Defense Minister have no to very little political, military or administrative expertise before becoming this advisor?
  - In the description, is there any mention of cronyism, favoritism or closeness leading to their high placement in the leader’s administration?
  - Did this Defense Minister replace a predecessor who was removed due to disloyalty?
Dependent Variables:

- **Advisor Purged**
  - Minister was eventually jailed or killed.

- **Governmental Purges (Banks’ Event Dataset)**
  - Recoded so that all values greater than 1 equal 1.
Main Independent Variables:

- Geddes, et al. (2013) dataset on Autocratic Regimes
  - Personalist, Monarch, Military and Single Party

- Weeks (2012)
  - Personalism Scale (0-1)
## Preliminary Results for Crony Models (Logit)

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* $p < 0.1$

** $p < 0.05$

*** $p < 0.01$
## Preliminary Results for Purge Models (Logit)

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*p < 0.1

**p < 0.05

***p < 0.01
## Results for Chapter 3 (Logit)

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* $p < 0.1$, ** $p < 0.05$, and *** $p < 0.01$

**Controls:** Alliance Similiarity, Logged Distance, Peace Years and Cubic Splines
### Results for Chapter 3 (Logit)

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</table>

Controls: Alliance Similarity, Logged Distance, Peace Years and Cubic Splines
### Marginal Effects for Chapter 3 Models

<table>
<thead>
<tr>
<th>Capability Share</th>
<th>Effect of Crony</th>
<th>Effect of Purges</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1</td>
<td>0.002** (0.001)</td>
<td>0.002** (0.0005)</td>
</tr>
<tr>
<td>0.2</td>
<td>0.002** (0.001)</td>
<td>0.001** (0.0003)</td>
</tr>
<tr>
<td>0.3</td>
<td>0.001** (0.0004)</td>
<td>0.001** (0.0003)</td>
</tr>
<tr>
<td>0.4</td>
<td>0.001** (0.0003)</td>
<td>0.001** (0.0002)</td>
</tr>
<tr>
<td>0.5</td>
<td>0.001** (0.0003)</td>
<td>0.001** (0.0002)</td>
</tr>
<tr>
<td>0.6</td>
<td>0.001** (0.0002)</td>
<td>0.001** (0.0002)</td>
</tr>
<tr>
<td>0.7</td>
<td>0.001** (0.0002)</td>
<td>0.0004* (0.0002)</td>
</tr>
<tr>
<td>0.8</td>
<td>0.0005* (0.0002)</td>
<td>0.0003 (0.0002)</td>
</tr>
<tr>
<td>0.9</td>
<td>0.0004 (0.0002)</td>
<td>0.0001 (0.0002)</td>
</tr>
<tr>
<td>1</td>
<td>0.0003 (0.0003)</td>
<td>0.0001 (0.0002)</td>
</tr>
</tbody>
</table>

* $p < 0.05$, ** $p < 0.01$
Conclusions, Changes and Ways Forward

- Personalist Dictatorships have a domestic incentive to structure their inner circle in a manner that hurts their ability to avoid war.

- Possible Changes
  - Incomplete Information or Repeated/Stochastic Game for Chapter 2
  - Formal Model for Chapter 3

- Ways Forward
  - Cronyism should cause other negative policy outcomes: poor economic growth, large debt, poor public health, poor alliance selection, etc.
## Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Obs</th>
<th>Mean</th>
<th>St. Dev</th>
<th>Min</th>
<th>Max</th>
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<tbody>
<tr>
<td>Personalism Scale w/Dem</td>
<td>4765</td>
<td>0.30</td>
<td>0.40</td>
<td>0</td>
<td>1</td>
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<td>Personalism Scale w/o Dem</td>
<td>2643</td>
<td>0.54</td>
<td>0.40</td>
<td>0</td>
<td>1</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Occurrence</th>
<th>No Occurrence</th>
<th>Percentage Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crony</td>
<td>458</td>
<td>3998</td>
<td>10.28</td>
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<tr>
<td>Advisor Purged</td>
<td>194</td>
<td>4282</td>
<td>3.90</td>
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<tr>
<td>Purge Occurrence</td>
<td>502</td>
<td>3948</td>
<td>11.28</td>
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</table>