Information Manipulation and Reform in Authoritarian Regimes

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Apart from repression, authoritarian governments commonly use two strategies to stay in power:

1. Making policy concessions (reform)
2. Manipulating information (propaganda, censorship)
Information Manipulation and Reform

Willingness to make concessions

- Sack corrupt government officials
- Respond to popular needs

No hesitation when manipulating information

- Active online censorship
- Fierce control of the media
Research Question

How can an authoritarian state *interactively* use reform and information control to achieve its goal of staying in power?
Main Results

- The government policy choices of policies and information manipulation are related

- Lack of credibility hurts the government (in the form of citizens’ collective action)

- A more able government is less likely to lie, but ironically, citizens are thus more likely to believe in the government’s lies
Related Literature

- **Role of information control in authoritarian regimes**
  (e.g., Gehlbach and Sonin 2014; Egorov, Guriev and Sonin, 2015)
  We provide a logic that links policy adjustment with information disclosure

- **Analysis of censorship**
  (e.g., Besley and Prat, 2006; Shadmehr and Bernhardt, 2015)
  “Soft information” so the government can lie; no explicit cost of lying
1 Motivation

2 Model

3 Results

4 Conclusion
1 Motivation

2 Model

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4 Conclusion
Preferences Over Policies

- 1 government, 2 citizens
- 2 policy options: the status quo $Q$, reform $R$ with cost $\mu$
- Each citizen is discontent about $Q$ with probability $p$
- Preferences privately known

- Citizens’ individual and collective protest hurt the government
- Successful collective action brings citizens policy benefits
**Model**

**Timing**

1. Nature selects each citizen’s type (social fundamental)
2. The government receives a signal of the social fundamental
3. The government chooses (1) policy and (2) information to release
4. Citizens decide whether to join collective action

Citizens’ incentives to join the collective action depend on:

- The government’s chosen policy
- Belief in the other citizen’s probability of protest
The Government’s Strategies

$\epsilon$: degree of responsiveness; $1 - \epsilon$: degree of info. manipulation
Motivation

Model

Results

Conclusion
Proposition 1: Two Types of Equilibria

(1) **(Babbling equilibrium):** When the cost to reform $\mu$ is prohibitively high, the government

- always lies
- never reforms

(2) **(Partially informative equilibrium):** When the cost to reform $\mu$ is relatively low, or there is sufficiently credible threat from citizens (i.e., $p$ is high), the government:

- keeps the status quo in “good” times
- sometimes reform when the time is “bad”
Moreover...

**Corollary**: Degree of responsiveness is

- Increase in the $p$, the probability that citizens strictly prefer $R$
- Decrease in $\mu$, the cost of reform

**Extension**: Institutionalization

- When the government is able to commit to a set of rules, it chooses *partial* policy responsiveness and *partial* information disclosure
The ability to delivery good policies matters: Ability to adjust policies ↑ ⇒ incentive to lie ↓

Government credibility matters: The more the government lies, the less effective its propaganda, the higher chances of collective action

Implication: An explanation why reform coexists with information control in authoritarian regimes
Related Work

1. Why do authoritarian governments allow citizens to speak publicly (Chen and Xu 2015)

2. What are the sources of authoritarian responsiveness (Chen, Pan and Xu 2015)

3. Who complains in urban and rural China (Tsai and Xu 2015)

Thank you!