Political Polarization and Failure of Democratic Consolidation

MIZUNO, Nobuhiro

1. Introduction

Military coups often prevent democratic consolidation. In Egypt, in July 2013, Mohamed Morsi, the democratically elected president after Egypt's revolution, was ousted by a military coup. During his presidency, Morsi, who represents the interests of Islamists, faced opposition from secularists. In particular, the drafting process for the new constitution, which was dominated by the Islamists, created a strong secularist backlash.

The case of Egypt suggests that political polarization among the masses is a factor causing military coups against democratic regimes. However, political polarization among the masses has received little attention in recent literature on political transition. For example, while Acemoglu and Robinson (2001, 2006) and Acemoglu et al. (2010) analyze the cause of military coups against democratic regimes, they focus on economic inequality between the elites and the masses (the poor)[(1)].

Focusing on political polarization among the masses, this paper provides a simple model to understand when military coups overthrow democratic regimes. The decision of a military to launch a coup depends on whether it expects to maintain power after the coup. The central feature of the model is that inter-group cooperation is required for citizens to oust military from power. To achieve inter-group cooperation, the value of democracy for the group that will be excluded from power in democracy must be sufficiently high. However, when political polarization is high, the group in power is reluctant to make policy concessions, and cannot prevent military coups.

2. The Model

Consider a society which comprises military and citizens. Differences in political preferences divide citizens into two groups: Groups A and B. Since individuals within each group share the same preferences, each group is treated as a single entity.

Initially, the political regime of the society is democracy. In democracy, two politicians who represent the interests of Groups A and B compete in an election, and the winner

(1) This paper is also related to Besley and Robinson (2010), who also analyze military coups.

chooses policy $x \in \mathbb{R}$. We assume that Group A citizens constitute the majority of citizens in this society. Thus, the politician who represents Group A wins power and chooses the policy x. The policy payoff of citizens in each group is given by

$$u^A = -|x - a|, \quad u^B = -|x - b|, \quad a > b. \tag{1}$$

The parameters a and b are the bliss points of Groups A and B. The degree of political polarization is defined by $P \equiv a - b$.

The military can overthrow a democratic regime by launching a coup. The cost of launching a coup is denoted by ψ, which is 0 with probability $\lambda \in (0, 1)$ and is $+\infty$ with probability $1 - \lambda$. If the military launches a coup, the coup is certain to succeed, and the political regime shifts to military rule. If there is no coup, the military obtains a payoff of $m^D > 0$ under the democratic regime.

Under military rule, citizens can overthrow the military rule if a revolution succeeds. We assume that inter-group cooperation is required for a revolution to succeed. If at least one group does not participate in a revolt, it is repressed by the military. This formulation is based on that of Acemoglu et al. (2004), who argue that "in weakly-institutionalized societies, those controlling the state may have considerable power, and cannot be easily removed from office by one of the social groups alone" (p. 179). The cost of participating in a revolt is $c > 0$. If the military is ousted by revolution, it incurs a cost of $\delta_m > 0$.

If there is no revolution, the military obtains m^M. The payoff of the military under military rule is greater than that under the democratic regime, that is, $m^M > m^D$. Under military rule, citizens in Groups A and B obtain $-\gamma^A < 0$ and $-\gamma^B < 0$, respectively. The parameters γ^i $(i = A, B)$ represent the harmful effects of military rule on citizens, which are assumed to be greater than c.

The timing of events is as follows.

1. Group A politician wins an election and announces the policy $x \in \mathbb{R}$.
2. Nature selects the value of $\psi \in \{0, +\infty\}$.
3. The military decides whether to launch a coup.
4. When democracy is overthrown by the military, Group A decides whether to initiate a revolt against the military rule.
5. After observing the decision of Group A, Group B decides whether to revolt[(2)].
6. If both groups revolt, the revolution ousts the military from power, the political regime returns to democracy, and the policy announced by Group A is implemented. If there is no revolution, the military rule persists.

(2) To avoid multiple equilibria, a sequential move game is adopted here.

3. Equilibrium

We derive pure-strategy sub-game perfect equilibrium (SPE) of this game.

After observing the decision of Group A, Group B decides whether to revolt against the military rule. Obviously, when Group A does not launch a revolt, it is optimal for Group B not to revolt. When Group A rises in a revolt, Group B chooses to revolt if

$$-|x-b|-c \geq -\gamma^{B}. \tag{2}$$

If the condition (2) does not hold, Group A does not rise in revolt because the revolution will certainly fail. If condition (2) holds, Group A launches a revolt if and only if

$$-|x-a|-c \geq -\gamma^{A}. \tag{3}$$

Hence, the military rule is overthrown by revolution if and only if both conditions (2) and (3), hereinafter called revolution constraints of Groups A and B[(3)], hold.

When both conditions (2) and (3) hold, staging a coup in democracy is suboptimal for the military because $m^{D} > -\delta_{m}$. Thus, the decision of the military on staging a coup is described as follows.

- When $\psi = +\infty$, the military chooses not to launch a coup.
- When $\psi = 0$, the military chooses to launch a coup if and only if at least one of conditions (2) and (3) does not hold.

Finally, consider the policy choice by the Group A politician. One possible candidate of the equilibrium policy is a, the bliss point of Group A. However, if Group A prefers to avoid a military coup, then Group A will choose a policy that enhances Group B's value of democracy so that the revolution constraint of Group B is satisfied. Let $\hat{x} > b$ be the policy that satisfies the revolution constraint of Group B with equality. Then, the possible equilibrium policy is either a or $\hat{x}$.

From (2), $\hat{x}$ can be written as

$$\hat{x} = b + \gamma^{B} - c. \tag{4}$$

If x is less than or equal to $\hat{x}$, then the revolution constraint of Group B is satisfied.

If $\hat{x} \geq a$, the bliss point of Group A satisfies the revolution constrain of Group B. Then, the equilibrium policy is equal to a. From (4), the condition $\hat{x} \geq a$ can be rewritten as

$$P \leq \gamma^{B} - c \equiv P_{0}. \tag{5}$$

(3) The term "revolution constraint" is borrowed from Acemoglu and Robinson (2006).

Hence, when the degree of political polarization is sufficiently small, the equilibrium policy becomes the bliss point of the majority group, and military coups do not occur.

In the case where $\hat{x} < a$, if $\hat{x}$ does not satisfy the revolution constraint of Group A, then it cannot be an equilibrium policy because choosing such a policy is suboptimal for Group A. Thus, for $\hat{x}$ to be an equilibrium policy, it must satisfy the revolution constraint of Group A. From (3) and (4), this condition can be written as

$$P \leq \gamma^A + \gamma^B - 2c. \tag{6}$$

When the condition (6) fails to hold, the equilibrium policy x^* is a.

Consider the case where $\gamma^B - c < P \leq \gamma^A + \gamma^B - 2c$. In this case, the bliss point of Group A does not satisfy the revolution constraint of Group B, and, hence, the policy a leads to a military coup with probability λ. Hence the payoff that Group A citizens obtain when the Group A politician announces the policy a is $-\lambda\gamma^A$. When the Group A politician chooses $x = \hat{x}$, the revolution constraints (2) and (3) hold, military coups will not occur, and Group A citizens obtain $-\{a - (b + \gamma^B - c)\}$. Therefore, the Group A politician chooses $x = \hat{x}$ if and only if

$$-\{a - (b + \gamma^B - c)\} \geq -\lambda\gamma^A, \tag{7}$$

which can be rewritten as

$$P \leq \lambda\gamma^A + \gamma^B - c. \tag{8}$$

Define $\bar{P}$ as

$$\bar{P} \equiv \min\{\lambda\gamma^A + \gamma^B - c,\ \gamma^A + \gamma^B - 2c\}. \tag{9}$$

Then, the following proposition holds.

Proposition 1.

The pure-strategy subgame perfect equilibrium is described as follows.

1. When $P \leq P_0$, $x^* = a$ and there is no military coup in a democracy. Under military rule, Group A rises in revolt, Group B follows Group A, and the military is overthrown by revolution.
2. When $P_0 < P \leq \bar{P}$, $x^* = \hat{x}$, where $\hat{x}$ is given by (4), and there is no coup in a democracy. Under military rule, Group A rises in revolt, Group B follows Group A, and the military is overthrown by revolution.
3. When $P > \bar{P}$, $x^* = a$, and the military stages a coup when $\psi = 0$. Under military

rule, neither Groups A nor B rises in revolt against the military rule.

4. Conclusion

This paper provides a simple model demonstrating how political polarization among citizens leads to military coups against democratic regimes. A high degree of polarization makes a politically dominant group adopt exclusive policies, prevents inter-group cooperation under military rule, and causes military coups.

References

1. Acemoglu, D., & Robinson, J. A. (2001). A theory of political transitions. *American Economic Review,* 91 (4), 938-963.
2. Acemoglu, D., & Robinson, J. A. (2006). *Economic origins of dictatorship and democracy*. Cambridge University Press, Cambridge.
3. Acemoglu, D., Ticchi, D., & Vindigni, A. (2010). A theory of military dictatorships. *American Economic Journal: Macroeconomics,* 2 (1), 1-42.
4. Acemoglu, D., Verdier, T., & Robinson, J. A. (2004). Kleptocracy and divide-and-rule: A model of personal rule. *Journal of the European Economic Association,* 2 (2-3), 162-192.
5. Besley, T., & Robinson, J. A. (2010). Quis custodiet ipsos custodes? Civilian control over the military. *Journal of the European Economic Association,* 8 (2-3), 655-663.

（受理日：平成26年７月23日）
（校了日：平成26年９月２日）

—Abstract—

This paper provides a simple model demonstrating how political polarization among citizens leads to military coups against democratic regimes. A high degree of polarization makes a politically dominant group adopt exclusive policies, prevents inter-group cooperation under military rule, and causes military coups.