



Nanyang Technological University  
**DIVISION OF ECONOMICS**  
Seminar Series

The Division of Economics invites you to a seminar by Associate Professor Vai-Lam Mui

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- Speaker** : **Vai-Lam Mui**  
*Associate Professor, Department of Economics  
Monash University, Clayton*
- Topic** : **"The Prince - or better no prince? The strategic value of appointing a successor"**
- Chairperson** : **Albert Winsemius Professor Ng Yew Kwang**  
*Division of Economics  
School of Humanities & Social Sciences*
- Date** : **Wednesday, 28 October 2015**
- Time** : **2.30pm to 3.30pm**
- Venue** : **Meeting Room 4 (HSS-04-68)**  
*Nanyang Technological University  
School of Humanities and Social Sciences  
14, Nanyang Drive  
Singapore 637332*

**About the Speaker:**

Vai-Lam obtained his Ph.D in 1992 from the University of California, Berkeley. His research interests are in applied microeconomic theory, behavioural economics, the economics of organizations and institutions, experimental economics, and political economy.

Vai-Lam has done theoretical work in the economics of envy, as well as in the political economy of social purges such as the European witch-hunt, McCarthyism, and the Chinese Cultural Revolution. He has also done work that combined the laboratory method with behavioural economics and political economy. For example, one of his current research projects uses the laboratory method to study the political economy of leader transgression against the rights of subordinates. It investigates how different kinds of social interactions between subordinates - such as non-binding communication between them--may trigger concerns beyond narrow self-interests and facilitate collective resistance against leader transgression.

He has published in journals such as the Economic Journal, Economic Theory, Experimental Economics, Journal of Law, Economics, and Organization, Journal of Mathematical Psychology, and Strategic Organization. Currently, he serves on the editorial board of Journal of Socio-Economics.

**Abstract:**

Appointing a successor (the "prince") allows the ruler (the "king") to alter the structures of conflicts that take place between him and his potential challengers, as well as the structures of conflicts that take place among his potential challengers. Motivated by historical examples and using an infinite horizon rulership competition game, we show that while an appointed prince constitutes a powerful and dangerous threat to the incumbent ruler (the elevated threat effect), the appointed prince can also over the incumbent ruler increased protection against other potential challengers (the barrier effect). We determine conditions when the overall effect of appointing a successor benefits the incumbent ruler and enables him to acquire a larger share of the governance rent in equilibrium.

Key words: coup, ruler, governance rent, successorship regimes.

JEL classification numbers: D72, D74

**Reservation:**

Admission is free. Please reply to [d-egc@ntu.edu.sg](mailto:d-egc@ntu.edu.sg) to confirm your attendance.