

Monks, Martyrs & Marxists: State Capacity and Religious Persecution in Communist Mongolia

Cornelius Christian

cchristian2@brocku.ca

Brock University

Matthew Milligan

University of Michigan

Research Article

Keywords: state capacity, religious persecution, Mongolia, Buddhism, communism

Posted Date: August 6th, 2026

DOI: <https://doi.org/10.21203/rs.3.rs-10484068/v1>

License:   This work is licensed under a Creative Commons Attribution 4.0 International License.

[Read Full License](#)

Additional Declarations: No competing interests reported.

MONKS, MARTYRS & MARXISTS: STATE CAPACITY AND RELIGIOUS PERSECUTION IN COMMUNIST MONGOLIA

CORNELIUS CHRISTIAN[†] AND MATTHEW D. MILLIGAN^{*}

ABSTRACT. We develop a theory of how religious persecution unfolds, and test it against the case of communist Mongolia from 1921 to 1939. Using a game-theoretic model, we show that a persecuting state first targets religious leaders and clergy, and only later — if *state capacity* permits — escalates to widespread oppression of the broader faithful. Weak states are trapped in the first phase; only once they invest in capacity can they proceed to mass religious repression. We apply this logic to communist Mongolia’s persecution of Buddhism in the 1920s and 1930s. This is an unusually clean case study, because Soviet forces directed both Mongolia’s state-building and its anti-religious ideology, making them quasi-exogenous. We show that while Mongolia’s state was weak, it could only afford to target the Buddhist clergy and leadership; however, in the 1930s, once the Mongolian state was sufficiently strong, it embarked upon widespread oppression, nearly eliminating organized Buddhism from the country. Our findings indicate that state capacity can be a precondition for systematic persecution.

Keywords: state capacity, religious persecution, Mongolia, Buddhism, communism

JEL Codes: P26, D74 , N45, Z12

[†]BROCK UNIVERSITY

^{*}UNIVERSITY OF MICHIGAN, ANN ARBOR

E-mail addresses: cchristian2@brocku.ca.

Date: July 2026.

We appreciate constructive comments from The Canadian Network in Economic History’s annual meeting, as well as The University of Saskatchewan’s economics seminar series. We declare no conflicts of interest. This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

1. INTRODUCTION

An effective state, with its ability to raise armies, build roads, and collect taxes, can drive economic growth. High state capacity, which means that the state is able to efficiently and effectively carry out its goals, has been associated with economic growth and development (Dincecco, 2017; Acemoglu et al, 2016; Acemoglu et al, 2015).¹ Yet, there can be a dark side to state capacity: it means that the state is highly capable of persecution. In this paper, we explore state persecution of religion in particular. Our framework explains how religious persecution evolves through multiple phases, and we apply this to persecution of Mongolian Buddhism in the 20th Century: a case study which allows us to focus upon core features of our model. This, in turn, has implications for how we understand both state capacity and religious repression, since a powerful and centralized state can be highly efficient at persecution.

We choose Mongolia because both the development of its state, as well as its anti-religious ideology, were heavily influenced by outside factors, making them semi-exogenous. Mongolia started the 20th Century with very little state capacity and subsequently, rapidly built up its state over two decades, thanks to help from the Soviet Union. Being the first Soviet satellite state, Mongolia became communist in 1921, and proceeded to purge its Buddhist hierarchy – largely because the Soviet Union wanted this outcome. However, due to the state’s initial weakness, it was unable to extend persecution to the Buddhist laity until the late 1930s, when it had developed enough strength to launch a broader campaign of oppression.²

To better conceptualize Mongolia’s persecution, we analyze a simple, game-theoretic model with two players: a persecuting State and an oppressed religious group, a Sangha.³ The State first decides to engage in one of the following choices: (1) widespread persecution, (2)

¹However, some recent authors like Geloso and Salter (2020) and King and Kramer (2025) question whether state capacity causally explains economic development.

²Mongolia is an example in which the state was singularly focused on persecuting Buddhism, instead of co-opting it. In certain cases, it is beneficial for an authoritarian government to cooperate with and even promote a particular religious tradition, as Koesel (2014) finds in her study of Russia and China after the Cold War. However our concern in this paper is on the state oppressing religion, with the aim of eradicating it.

³A Sangha can be thought of as a ‘Buddhist Church,’ with its own hierarchy and internal organization.

targeted persecution of the Sangha’s leaders and clergy, or (3) no persecution. The Sangha, at the same time, decides on its level of religious hierarchy: that is, its ecclesiastical and administrative structure. The state can then choose whether to engage in an additional round of persecution before the game ends. Finally, payoffs are realized.

We determine that state-orchestrated persecution first targets religious leaders, and only afterwards does it become widespread. Strong states first target the Sangha leadership, followed quickly by broader repression. Weak states, by contrast, only target the leadership, and cannot engage in widespread persecution – unless they invest resources in developing state capacity, after which they can persecute broadly. Mongolia neatly follows this logic: as the state increased in power, it was able to engage in more widespread, systematic persecution.

Our findings speak to a broader question in political economy: under what conditions can authoritarian regimes successfully destroy independent centres of power? We show that organizational destruction often requires not just ideological commitment, but also sufficient state capacity — a point with implications beyond religion for the study of state-society relations under autocracy.

Our article proceeds as follows. In Section 2, we cover the relevant literature, and situate our study within the research on state capacity, religious persecution, and economic development. In the section after that, we cover the relevant history of communist Mongolia, explaining how state capacity interacted with persecution of Buddhism in that country. In Section 4, we present the game-theoretic model and derive results, which we tie back to our empirical observations. In Section 5, we conclude.

2. RELEVANT LITERATURE

State capacity is defined as the state’s ability to carry out specific goals, including tax collection, law and order, and provision of public goods (Besley and Persson, 2011; Besley and Persson, 2010). A series of studies have identified state capacity’s beneficial effect on economic outcomes (Vu, 2025; Cheng et al., 2022; Dell et al., 2018; Johnson and Koyama,

2017; Acemoglu et al., 2016). Yet, a growing literature also shows that state capacity can lead to persecution and conflict (Heldring, 2026; Heldring and Robinson, 2023; Christian, 2019; Johnson and Koyama, 2013). For example, Heldring (2021) shows that, during the Rwandan genocide, regions with more state capacity saw worse atrocities; he further provides evidence that exposure to a centralized state imparts norms of obedience, even when those norms result in collective violence.

In particular, state capacity has been shown to determine persecution in various studies, though in a manner markedly different from the one we exposit. Anderson et al. (2017) find that persecution of Jews in pre-modern Europe was more likely in weak states which suffered from adverse weather shocks. Koyama and Johnson (2013) show that as legal centralization arose in Europe, persecution of heterodox beliefs were phased out. In general, although state-building was initially associated with intolerance for non-orthodox religious views, strong European secular states tolerated diverse beliefs in order to maintain a large tax base. Yet, in Mongolia, we find that strong states can *drive persecution*. Furthermore, we examine the dynamics of such persecution, showing how it evolves from targeted persecution of religious clergy, to widespread persecution of lay followers.

To our knowledge, no economics work has examined communist persecution of Buddhism, although a number of works in anthropology and history have been undertaken (Harris, 2017; Kaplonski, 2014). However, economists have explored other aspects of religious persecution, such as the effects of religious persecution (Drelichman et al., 2021; Chaney and Hornbeck, 2015), as well as its causes (Khalil and Panza, 2024; Anderson et al., 2017; Voigtlander and Voth, 2012).

Religious hierarchy is a core element of our analysis. What determines an organization's leadership structure and hierarchy has been thoroughly pursued in management studies and sociology. This includes the sociology of religion, which has described the development of religious hierarchy since Weber (1922). More recently, Scheitle and Dougherty (2008) distinguish between religious organizations with high levels of hierarchy, involving professional clergy appointments, standardized worship materials, and theological oversight, and those

with lower forms of hierarchy, in which congregations determine worship and theological legitimacy, and where official clergy are limited – if they exist at all.

However, to our knowledge, very few studies exist on religious hierarchy’s response to religious persecution. Butler (2006, 2002) is a notable exception, examining the Catholic Church’s response to the *Cristero* rebellion in Mexico from 1926 to 1929. At the height of this conflict, the Catholic Church reformed its hierarchy at the local level, relying less on clergy for worship and administration. For example, rites that were originally the sole province of the priesthood were expanded to permit laymen to celebrate them; this included baptisms, marriages, and even communions. In general, the hierarchy was decentralized in response to persecution.

The study most relevant to ours is Buckley and Mantilla’s (2013) empirical analysis of state capacity and the regulation of religion. The authors find, in an analysis of over 160 countries, that as states develop, they are more likely to regulate religion. However, the article does not examine persecution specifically, and does not examine how the a religion’s hierarchy interacts with persecution.

Also similar to our paper is Gill and Keshavarzian’s (1999) study of state-building and repression of religion in Iran and Mexico. The authors argue that church-state conflict occurs once the state consolidates power, expropriating church resources to strengthen itself. After the church has been neutralized, the state drifts into a policy of quiet accommodation. Although this study describes dynamics particular to Iran and Mexico well, we notice a different pattern emerge in Mongolia, as we explain in this paper.

Because our study deals with religion, we add to the work on the economics of religion (Espín-Sánchez et al., 2026; Bazzi et al., 2025; Grosfeld et al., 2020; Iyer and Shrivastava; Valencia Caicedo 2019; Becker et al, 2016). This field, which began with theoretical contributions (Iannaccone, 1988; Azzi and Ehrenberg, 1975), has especially expanded over the past decade; empirical data and case studies have been brought to bear upon questions of significance, such as the role of religion in economic growth (Becker et al, 2024). In our case, we examine how state capacity interacts with religion to result in persecution.

Finally, because our case study involves Buddhism in Asia, we contribute to the study of Buddhism in that region. Current scholarship in Buddhist Studies has produced compelling, descriptive accounts of persecution but lacks systematic theoretical frameworks capable of explaining when and how state violence against Buddhist institutions unfolds. While Saiya and Manchanda (2025) examine Buddhist violence through the lens of religion-state integration, their focus remains on Buddhism as the perpetrator rather than the victim. In contrast, Schonthal’s constitutional analysis (2017) sheds considerable light on the nature of the Sangha as an entity, but treats religious hierarchy as a static legal category rather than recognizing it as a strategic variable that responds dynamically to state pressure. Abeysekara’s (2022) methodological critique of Buddhist Studies highlights the field’s tendency toward historical description rather than analytical explanation, precisely the gap our game-theoretic model addresses.

3. BACKGROUND

3.1. Why Mongolia? We choose Mongolia as a case study for two reasons: firstly, both its state development, as well as its persecution of Buddhists, were driven by outside forces. In particular, the U.S.S.R. built up the Mongolian state as a buffer first against Chinese, and then against Japanese, aggression. The Soviets invested heavily in training Mongolian cadres, building infrastructure and communications networks, and bolstering the military. The impetus to persecute the Sangha was launched by the Moscow-based Comintern, and later by Josef Stalin, leader of the Soviet Union. This does not deny that Mongol leaders had agency, and indeed many of them were ideologically opposed to the Sangha, but the final push for violent persecution came from the Soviets, as we will demonstrate shortly. Therefore, Mongolia, upon becoming communist, is as close to “laboratory conditions” as we can find, since its state-building and anti-religious ideology were quasi-exogenous. The second reason we choose Mongolia is because its Sangha, its Buddhist structure, was very hierarchical, with the Bogd Khan being a Pope-like figure who sat at the top of this pyramid. Underneath him were the high-ranking *lamas* or monastic gurus, some of whom were said to

be enlightened. Roughly half of adult males in Mongolia were tied to service in monasteries, a common practice in the Buddhist world. Therefore, Mongolia is an excellent setting to examine how a hierarchical religious organization faces persecution when confronted by an initially-weak state, which is building its capacity.

There have been other examples of persecution of Buddhism in modern times: Tibet, Cambodia, and even China. However, in each of these cases, there are good reasons to not include them in our analysis – namely, because it is difficult to separate the various factors driving persecution, and to disentangle religious persecution from other policies. In brief, there is more endogeneity. However, we do address these cases in our appendix.

3.2. Mongolia: A Brief History of Persecution.

“By July 20 [1938], out of 771 temples and monasteries, 615 have become ash heaps. Today only 26 are functioning. Out of the total 85,000 lamas, only 17,338 remain. Those who were not arrested have decided to turn lay.”

— *—Mikhail Golubchik, Soviet NKVD Officer overseeing Mongolia’s religious purges.*⁴

Following the Russian Revolution of November, 1917, a power vacuum emerged in East Asia and Siberia. The Chinese took advantage of this chaos, and in 1919, gained control over Urga, Mongolia’s capital city.⁵ In response, pro-czarist ‘White Russians,’ under Baron von Ungern-Sternberg, swiftly repelled the Chinese forces, but were themselves defeated in 1921 by a combined Soviet-Mongolian army of 10,000 troops (Rahul 1989, 10). In that same year, Mongolia became the Soviet Union’s first satellite state: The Mongolian People’s Republic.

Mongolian Buddhism was soon under threat. Mongolia’s *Vajrayana* Buddhism was hierarchical, with the apex of this hierarchy contained in the person of the Bogd Khan, the country’s highest-ranking religious official. Under him was the *Shav’yamen*, who managed the Bogd Khan’s monastic estates, and a lama-headed Office of Religion and State administered monasteries throughout the land. The Bogd Khan and his office enjoyed privileges,

⁴As cited in Baabar (1999, 363)

⁵Urga was subsequently renamed Ulaanbaatar, as it is known today.

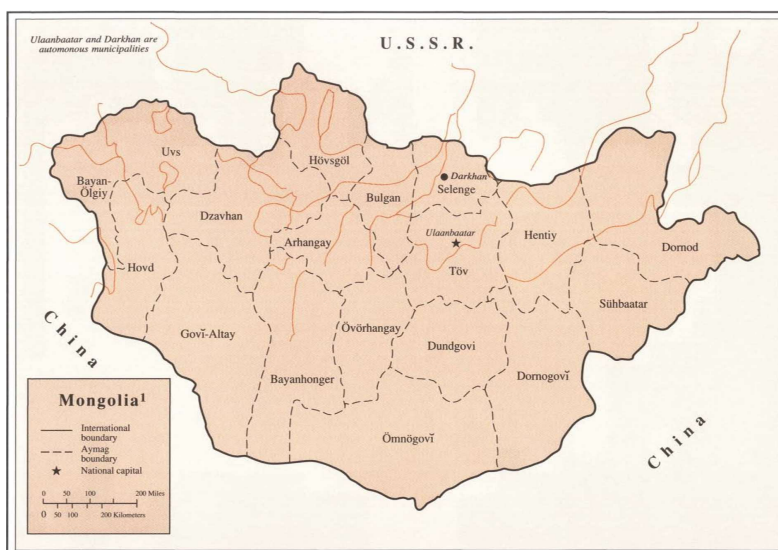


FIGURE 1. The Mongolian People’s Republic (from Milne et al., 1991).

such as a devoted serfs scattered across the country’s provinces, as well as offerings from monasteries (Ookhnoi, 2024). The Buddhist organization, The Sangha, controlled much of the country’s social and economic life, with half of Mongolia’s adult male population estimated to have been monks (Even 2011, 628) – that is, 110,000 men.⁶ Fourteen special lamas (monks) ranking below the Bogd Khan enjoyed special honours and privileges, and monastic estates operated vast tracts of land and livestock.

From the early 1920s, the Soviets demanded that the lamas be purged (Baabar 1999, 363). Inspired by Marxist ideology, and because it saw an opportunity to expropriate the monasteries, the ruling Mongolian People’s Revolutionary Party (MPRP) started to persecute the Sangha in 1924, following the Bogd Khan’s death, and even banned the institution of the Bogd Khan. The Communist International (Comintern), based in Moscow, directed the MPRP to launch this initial persecution, labelling high-ranking lamas as “feudal lords” and the Sangha as a “capitalist” institution (Morozova, 2002). High-ranking lamas were imprisoned, monastery tithes were abolished, and monastic education was restricted. Yet, because the Mongolian state remained weak, it could only carry out a targeted persecution of the

⁶Not all of these monks lived in monasteries, and many were married with families. Being ordained a monk, in this context, meant rendering service to the monastery – such as tithing a certain portion of crops.

leadership, and was unable to stamp out Buddhism entirely. Indeed, the state's weakness was attested to by the fact that attempts to tax monasteries were unsuccessful (Murphy 1966, 107).

In 1928, radical Marxists, fresh out of Soviet schools, gained control of the MPRP, and a year later, tried to collectivize monastery livestock and expropriate Sangha land. However, the Mongolian state remained weak, and its powers of enforcement were limited. Although suppression of Buddhist leaders continued, including killings of high-ranking *khutuktus*, efforts at widespread persecution were halted. Even the government's Five-Year economic plans were scrapped by 1932 (Murphy 1966, 127).

By 1937, however, Mongolia was in a stronger position, especially in the regions surrounding its capital. The Soviet-trained bureaucracy gained control over provinces and districts, and there was a large presence of Soviet forces within Mongolia's borders, including secret police (NKVD). The Mongolian army had also grown in size, and infrastructure was more developed.

In 1936, Soviet leader Josef Stalin had Mongolia's premier purged for failing to deal ruthlessly with Buddhism; the new premier he installed was Khorloogiin Choibalsan, a seasoned military veteran and Russian-trained politician, who created conditions for widespread persecution. From 1937 to 1940, Choibalsan used the new powers of the state to engage in mass arrests and public executions of Buddhist monks. From 1937 to 1938, the monastic population plummeted from 83,203 to 562 members (Kaplonski 2014, 203). Most monasteries were closed or made into government buildings. From 1937 to 1939, roughly 18,000 lamas were executed (Kaplonski 2014, 42). Buddhism was all but eradicated from Mongolia. Table 1 shows the dramatic decline.

TABLE 1. Decline of Mongolian Buddhist Monasticism, 1937–1939

Indicator	Value
Monastic population, 1937	83,203
Monastic population, 1938	562
Lamas executed, 1937–1939	~18,000

Source: Kaplonski (2014, 203, 42).

In summary, then, the Mongolian state was initially not able to stamp out Buddhism, largely because the state was weak and lacked the capacity to carry out widespread persecution. Early persecution was directed towards the Buddhist clergy and high-ranking lamas, while the broader population was left alone. It was only in the late 1930s, after state-building had already accelerated, that the Sangha was all but systematically eradicated.⁷

3.3. Mongolia's State Building. When Mongolia became independent in 1921, the state was weak and limited. A decade prior, it had been ruled by 111 regional princes, and 4 religious princes, each of whom imposed their own systems of taxation, and held military, executive and administrative power within their localities (Murphy 1966, 21). Many Mongols were nomadic herders, having little interaction with a centralized government. Upon independence, there was still little centralization, and the country depended heavily upon aid from the Soviet Union (Bradsher, 1972).

By 1923, the new Mongolian government abolished the taxation and feudal rights of the princes, replacing their authority with *khurals*, analogous to Russian-style *soviets*, staffed by local bureaucrats. However, although declarations were made against monasteries, these were not enforced, and the Sangha continued to operate as usual (Murphy 1966, 82-83).

The U.S.S.R. sought to use Mongolia as a buffer against China and Japan, and to that end, promoted military and state expansion within the country. The Mongolian army was formally established soon after independence, and by 1924, its size had quadrupled to 4,000 troops, absorbing 60 percent of state expenditures – by 1927, it further increased in size to 17,000 men (Murphy 1966, 84-98). Although this seems small, the Mongolian population itself was no more than 700,000 at this time, spread out across 1.5 million square kilometres. The Soviet Russians also invested in personnel, ensuring that the Mongolian government was staffed by well-educated cadres who were loyal to the Marxist cause. Mongolians were trained in Soviet schools which the Communist International (Comintern) set up to instruct revolutionary leaders. After Stalin's direct involvement in 1932, this training intensified; for

⁷In 1944, Gandantegchinlen Monastery in Ulaanbaatar, the capital city, was re-opened and allowed to operate in a limited capacity as the country's only active, sanctioned monastery. This was a propaganda tool, to give visitors the impression that Mongolia protected freedom of religion.

TABLE 2. Key Historical Events in Mongolian State-Building and Persecution of Buddhism, 1924–1945

Year	Event
1924	Death of the Bogd Khan; MPRP begins targeted persecution of Sangha leadership (high-ranking lamas imprisoned, monastic tithes abolished, education restricted).
1926	Introduction of standardized, centralized taxation system across Mongolia.
1928/29	Radical Marxists seize control of MPRP and attempt collectivization of monastic livestock/land; efforts largely fail due to weak state capacity.
1932	Lamas launch armed uprising (~1,500 dead); Stalin intervenes; Peljidin Genden installed as premier; radical “left turn” policies scaled back.
1934/35	Secret police reorganized and merged with Ministry of Internal Affairs; tax system further aligned with Soviet model.
1935/36	Border clashes with Japan; Stalin criticizes Genden for leniency toward the Sangha; military spending begins to rise sharply.
1936	Khorloogiin Choibalsan purges Genden; Soviet–Mongolian joint defense treaty signed; Soviet military advisers surge (81 → 205); military spending doubles.
1937	Onset of widespread mass persecution under Choibalsan; monastic population collapses from ~83,000 to a few hundred; ~18,000 lamas executed (1937–38); most monasteries closed or repurposed.
1939	Mongolia, with Soviet support, successfully repels Japanese invasion.
1944	Limited reopening of Gandantegchinlen Monastery in Ulaanbaatar (primarily for propaganda).
1945	Mongolia fields an army of ~80,000 against Japan, suggesting significant rise in military capacity.

Note: State capacity grew significantly in the mid-1930s through Soviet aid, cadre training, infrastructure development, tax centralization, and military expansion. Early persecution (1920s–early 1930s) remained largely targeted at Sangha leadership due to limited state capacity.

example, the Communist University of the Toilers of the East (in Moscow) was asked to specially train 50 Mongolians every year to serve as “party functionaries at the provincial level” (Batbayar, 1999).

Furthermore, taxation was reformed, so that what was initially a local system, with irregular criteria, became increasingly centralized. In 1926, a standard rate of taxation was introduced

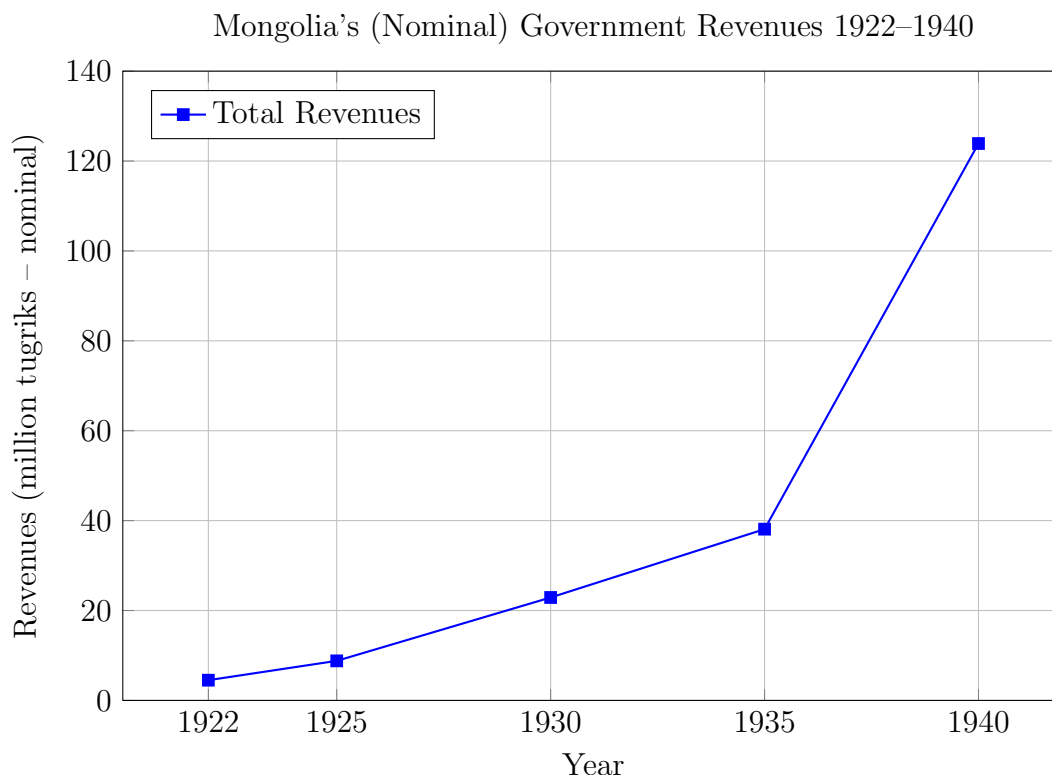


FIGURE 2. Mongolian state budget revenues (million tugriks), 1922–1940. Data from Franklyn D. Holzman, “The Tax System of Outer Mongolia, 1911–55: A Brief History,” *Journal of Asian Studies* 16, no. 2 (February 1957): 221–236, Table IV.

across Mongolia, with local administrators in charge of collection (Murphy 1966, 107-108). However, a survey team sent from the University of the Toilers of the East found that these administrative reforms were sporadically enforced amidst poor communication between tax units; there was also hesitation among local authorities as to whether to tax monasteries. That being said, there was some success: in the decade from 1920 to 1930, local tax receipts fell from 70 percent of total taxes to 31 percent (Human Relations Area Files 1956, 877), suggesting increased centralization.

Acquiring a quantitative sense of state building during this time is difficult, given data limitations. As Holzman (1957) states in his assessment of the limited government revenue data available,

“The most rapid increase takes place in the [nineteen] twenties. Most of this increase must be attributed to a combination of inflation and invasion

of the economy by the government under Soviet influence... The rapid rise again from 1935 to 1940 is attributed, in default of any other explanation, to inflation. Unfortunately no price information for this period is available. Sharp increases in government expenditures of defense, health, and education suggest that from 1935 to 1940 the government share of national output may have been increasing and may have been responsible for some small percentage of the three- to four-fold increase in the size of the budget which took place.”

Although Holzman indicates that the data are noisy, he nevertheless points to distinct trends: a rise in state involvement during the 1920s, and again from 1935 to 1940 — which are the periods our argument highlights. Given the incompleteness of government revenue data and the absence of price deflators, we treat these figures as suggestive; the crux of our argument rests on the qualitative historical record.

Starting in 1928, Comintern pushed Mongolia’s leaders to attempt a radical leftist experiment, involving forced collectivization, a dramatic expansion of the state, and attacks on the Sangha – somewhat similar to what was then transpiring in the U.S.S.R. The result was shortages, high inflation, and even a civil war: in 1932, the lamas led an armed uprising against the communist government, which resulted in 1,500 dead. The MPRP scaled back its “left turn” in response; state capacity was clearly insufficient, at that juncture, for a protracted campaign against Buddhism.

At this point, the Soviet leader Josef Stalin became personally interested in state development in Mongolia. This was especially pertinent given Japan’s imperial ambitions, and its provocations in eastern Siberia. In 1932, Stalin sent Shalva Eliava, a member of the Mongolian Commission, to the country. Eliava promptly dismissed most of the MPRP leadership, and installed Peljidin Genden as premier. The government brutally suppressed what remained of the uprising.

Based on Eliava’s recommendations, the Soviet Union took a more active role in Mongolia’s economy, annulling commercial and public debt owed to the Soviets, transferring joint companies like Mongoltrans to the Mongolians, and selling Russian goods to Mongolia at

a 5 percent discount (Batbayar, 1999). Infrastructure was also improved, including power plants, telegraph and postal networks, and the construction of modern hospitals.

In 1931, the Mongolians had already taken steps to align their system of taxation with the Soviet one, through the introduction of a sales tax on goods sold by state enterprises. This allowed for increased tax revenues in the 1930s, which permitted a building up of state resources (Human Relations Area Files 1956, 886). Mongolia also modified its secret police service in 1934-35, merging it with the Ministry of Internal Affairs, and set up a training school for “political police” (Human Relations Area Files 1956, 558).

The growing Japanese threat also piqued Soviet interest, especially following a border clash in 1935. Mongolia was seen as a buffer zone against Japan, especially since it sheltered the Trans-Siberian Railroad. The Soviets increased their military aid, sending two mechanized units with 3,000 soldiers to eastern Mongolia. In the face of these events, Premier Genden’s reluctance to increase military spending, as well as his tolerant attitude towards the Sangha – which was seen as a potential Japanese collaborator – were viewed as weaknesses.

In 1935 and 1936, Stalin met with Genden, accusing him of being too soft on the Sangha, and of failing to respond aggressively to the Japanese. In March of 1936, Minister of Internal Affairs, Khorloogiin Choibalsan, purged Genden for failing to deal with the Buddhist clergy. In March of 1936, the Soviets and Mongolians signed a joint defence treaty, and over a single year, the number of Soviet military advisers in Mongolia jumped from 81 to 205 (Batbayar, 1999). Military spending doubled (Worden 1991, 47). Starting in 1937, NKVD (People’s Commissariat for Internal Affairs) advisors were sent from the Soviet Union to assist Choibalsan with purges of the lamas.⁸

Armed with greater police and military capacity, Choibalsan embarked upon a widespread persecution of the Sangha, as previously mentioned. He also modernized the military, successfully defending Mongolia against a Japanese invasion in 1939, with help from the Soviets. He reformed the tax system, so that all payments had to be made in cash; furthermore, a system of rigid quotas was created to deliver agricultural products to state coffers (Milne

⁸The NKVD was the Soviet secret police.

et al., 1991). The state was dramatically expanded during this time, as persecution of the Sangha increased.⁹

The development of the Mongolian state during this period can be summarized as follows. In the 1920s, continuing into the early 1930s, the state was weak, to the point that ambitious collectivization and tax reform projects failed. However, by 1936, there was a doubling of military spending, new leadership, as well as aid from the Soviets in building infrastructure and in training cadres. Tax compliance improved. In general, some of the improved state capacity was ‘borrowed’ from the U.S.S.R: especially military and police capacity. This enabled Mongolia’s leadership to successfully wipe out organized Buddhism from the country by the late 1930s.

3.4. Identifying The Role of State Capacity. A challenge in our case study is that both state-building and persecution may be driven by the same underlying political or security threats. In the Mongolian case, a confounding factor might be the shift from targeted persecution of Buddhist leaders in the 1920s and early 1930s to mass repression after 1937, which could be due contemporaneous developments such as the growing Japanese threat. We argue that the Mongolian case actually offers relatively clean identification of the role of state capacity, because the growth in Mongolian state institutions was driven primarily by Soviet geopolitical and ideological objectives that were only weakly related to the Sangha. First, both the development of Mongolian state institutions and the ideological commitment to eradicating organized Buddhism were heavily shaped by external Soviet priorities rather than purely domestic political dynamics. After 1921, the Soviet Union treated Mongolia as a strategic buffer against China and, later, Japan. Soviet authorities invested directly in Mongolian state capacity through cadre training at institutions such as the Communist University of the Toilers of the East, the reorganization of the secret police along NKVD lines, the expansion of the military, and improvements in taxation and infrastructure (Batbayar 1999; Murphy 1966). These investments were driven primarily by Moscow’s geopolitical and

⁹When Russia declared war on Japan in 1945, Mongolia was able to muster an army of 80,000 men, a significant accomplishment for a country with a population of only 750,000 (Lattimore 1962, 135).

ideological objectives, not by the Mongolian government's independent assessment of the Buddhist threat. Because the impetus for state-building was largely exogenous to domestic calculations about religious policy, changes in Mongolian state capacity can be treated as plausibly exogenous to the timing of persecution decisions.

Second, the historical record shows that the Mongolian state repeatedly attempted broader measures against the Sangha when capacity was still low, and these efforts failed. The radical "Left Turn" policies of 1928–1932, which included attempts to collectivize monastic livestock and expropriate monastic property, collapsed amid economic chaos, inflation, and an uprising. The government was forced to abandon its Five-Year Plan and scale back its attack on the monasteries. Only after a sustained period of Soviet-assisted state-building—particularly the surge in Soviet military advisers from 81 to 205 between 1935 and 1936, the doubling of military spending, the centralization of tax collection, and the arrival of NKVD advisers in 1937—did the regime possess the administrative and coercive resources necessary to carry out mass arrests, public executions, and the physical destruction of monasteries on a national scale.

Finally, the Japanese threat contributed to Soviet-led military expansion, which is plausibly exogenous to the Sangha itself. Moreover, border clashes with Japan began in 1935, and mass repression of Buddhism did not commence until 1937—after the critical buildup in internal coercive capacity (including secret police reorganization). Although Stalin personally criticized Genden for leniency toward the lamas and supported Choibalsan's rise, Choibalsan himself only became effective in implementing mass persecution once he had access to a reorganized secret police, expanded military forces, and Soviet advisers embedded in the Ministry of Internal Affairs. This pattern aligns closely with the predictions of our theoretical framework. When state capacity is low (high cost of persecution), even ideologically committed regimes are constrained to targeted repression of visible leaders and high-ranking clergy. Only after capacity improves—through investments that lower the cost of coercion—can the state move to widespread repression of the broader faithful.

4. MODEL

To understand the state persecution of religion, we develop a model with two players: a persecuting **State**, and a persecuted religious organization, the **Sangha**. The model captures how a state's coercive capacity shapes both the form and intensity of religious repression over time. In particular, it shows that low-capacity states are typically constrained to targeting religious leaders, while higher-capacity states can escalate to widespread repression of the broader faithful.

4.1. Setup and Timing. The game lasts three periods, and proceeds as follows.

In Period 1, the State simultaneously chooses its persecution strategy, and the Sangha chooses its level of religious hierarchy, denoted $H \in [0, \bar{H}]$, where higher values of H represents a more centralized Sangha (with a clear leadership structure, formal clergy, concentrated assets, etc.). The State can choose one of three actions: (i) no persecution; (ii) targeted persecution of the Sangha's leaders and high-ranking clergy; or (iii) widespread persecution. If the State decides not to persecute, then its payoff is zero, and the game ends. If the State decides to persecute, then it incurs a cost, $C > 0$. This cost serves as our (inverse) measure of state capacity: lower values of C imply greater capacity.

The State can either engage in targeted persecution of leaders, in which case it earns a payoff of $\theta(H)$, or it can engage in widespread persecution, earning $\nu(H)$. We assume that the State's benefits from persecution are rising in the Sangha's hierarchy; that is, $\nu', \theta' > 0$. We further assume that such benefits are subject to weakly diminishing marginal returns, so that $\nu'', \theta'' \leq 0$. In other words, the State has well-behaved preferences when it comes to religious persecution.

Simultaneous to the State's decision,¹⁰ the Sangha chooses its level of hierarchy, H . The Sangha benefits from greater hierarchy, its payoff being $\psi(H)$, where $\psi' > 0$ and $\psi'' \leq 0$. However, the Sangha is also harmed by persecution; widespread persecution causes hierarchy

¹⁰The reason the Sangha moves at the same time as the State has to do with the fact that the Sangha is not choosing hierarchy 'afresh' each period, but rather acting within the context of an existing institutional history. This is intuitive: a religion like Mongolian Buddhism does not just spring into existence, but is the product of hundreds and even thousands, of years of history.

to decrease by $(1 - \omega)$ and targeted persecution causes it to fall by $(1 - \lambda)$, such that $\omega \geq \lambda > 0$. Generally, we assume that the damage from widespread persecution exceeds that from targeted persecution. Although it can be damaging, targeted persecution mainly affects leaders, who can be replaced. A systematic, widespread persecution, can risk wrecking the entire religious institution.

In Period 2, the State may choose to switch to another form of persecution: from targeted to widespread, or vice versa. If it does so, then it may also, simultaneously, invest in additional state capacity at a price of $\epsilon > 0$, which reduces its cost of persecution by $\beta\epsilon$, where $\beta = \frac{C-\rho}{\rho}$. This formulation of β captures diminishing returns to state capacity – the higher it is, the less is gained by investing in more state capacity. This is a simplifying assumption that ensures diminishing returns in closed form.

noindent In Period 3, the game ends.

4.2. Key Assumptions and Discussion.

We make three substantive assumptions.

First we assume that if the State wishes to target the Sangha's leadership, then there must be a minimum level of Sangha hierarchy, H_m . The State cannot easily target leaders when the religious group is loosely-organized with no identifiable clergy. To make this tractable, we assume that for $H \leq H_m$, this means that $\theta(H) = 0$; that is, there is no benefit to persecuting leaders, when the Sangha has no clear hierarchy. By contrast, for $H > H_m$, $\theta(H) > 0$.

Second, if the religious hierarchy is at its peak, $\bar{H}$, then we assume that the State will always choose targeted persecution, so that $\theta(\bar{H}) > \nu(\bar{H})$. In such a case, it is straightforward to round up leaders and cull them from the Sangha, even if that includes executing them. Widespread persecution, by contrast, is often costly and requires significant state resources. Finally, if there is no hierarchy at all and $H = 0$, then the State will always choose widespread persecution; mathematically, we assume that $\nu(0) = \rho > 0$, so that there is a positive benefit to widespread persecution, and that such persecution is more beneficial to the State than targeted killings – that is, $\nu(0) > \theta(0)$.

We implicitly assume that the State benefits from persecution; however, we do not outline an explicit reason for persecution as such. This allows our model to be robust to various types of persecution, including persecution for ideological, economic, or political reasons. In general, the reasons for persecution are usually multifaceted, and cannot be pinned down on a single cause. In the rest of the paper, we will focus especially on persecution under communism, which are ostensibly ideological, but have associated economic and political components.

We also assume that the State benefits from persecution more when the persecuted religious group is more organized; this could be because more top-down religious groups tend to have more assets to loot, or because a well-organized religious group may have an elite that can challenge the State. Indeed, this latter explanation is proposed by Sarkissian (2015), whose empirical work has most directly shown confirmation of this hypothesis.

There is evidence which suggests that religious hierarchy is beneficial to religious organizations, since it provides clarity about theological doctrine and maintains order within the faith (Tridimas, 2021; Gochenour and Robinson, 2019). For example, a well-recognized and competent leadership class can arbitrate quarrels over major religious matters. However, in times of persecution the clergy can be at pronounced danger.¹¹

A natural concern is that the Sangha might be able to *signal* weakness strategically, in order to escape persecution. However, given the context of Mongolia, this is highly unlikely. The religious hierarchy in Mongolia was readily observable, given that monasteries were highly visible, and high-ranking lamas were in charge of much wealth and had control over lower-ranking monks. Monks, being tied to monasteries, were not nomadic people, unlike the masses of laypeople who were. Many monasteries became centres of commerce (Kaplonski 2014, 17). The Sangha was very organized, and it could not have easily concealed this, especially given how entrenched it was in much of Mongolian society.

¹¹A related study is Butler (2006, 2002), which examines the Catholic Church's response to the *Cristero* rebellion in Mexico from 1926 to 1929.

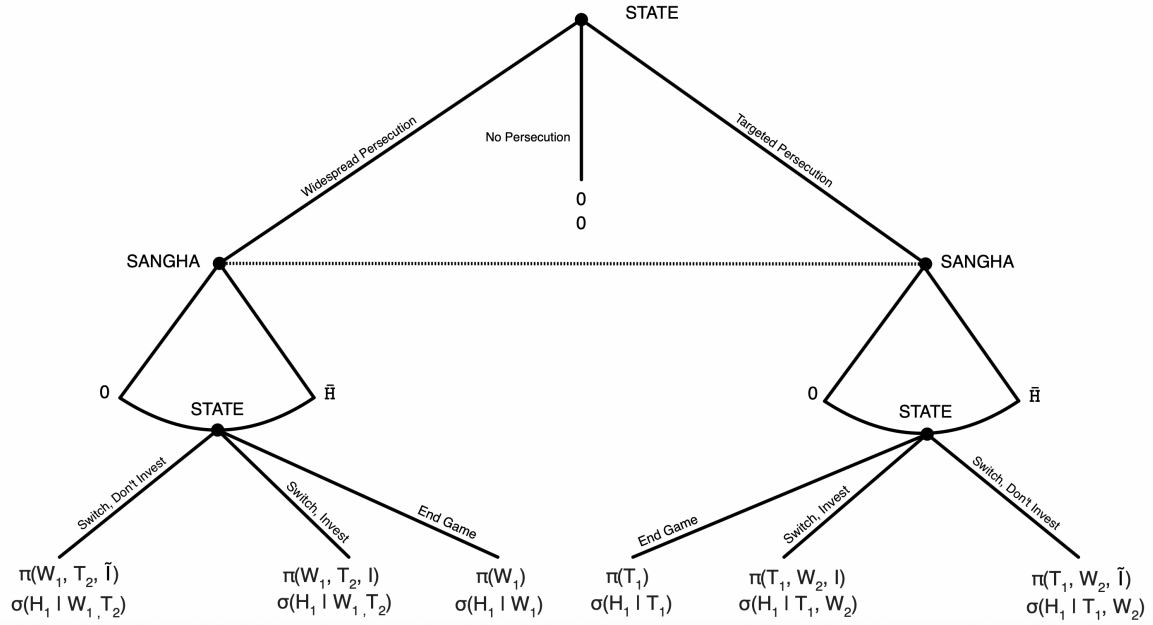


FIGURE 3. Game Tree Showing Interactions Between State and Sangha.

4.3. Payoffs. Persecution in Period 1 may reduce the Sangha's level of hierarchy. To keep the discussion clear, we say that the Sangha's *chosen* hierarchy in Period 1 is H_1^* . If targeted persecution occurs in Period 1, then, the Sangha's hierarchy in Period 2 will be $(1 - \lambda)H_1^*$. In Period 3, payoffs are realized for both the State and the Sangha. The game ends for all players.

For the State, we use π to denote the payoff after the game is over. These payoffs are dependent on the State's actions, which we denote as T if the state used targeted persecution, and W if it engaged in widespread persecution. In the last period, if the State decides to invest in state capacity, we use the symbol I . If the State does not engage in a particular action, we use the symbol $\sim$; for example, if the State does not persecute leaders, then we use the symbol $\tilde{T}$, and if it does not invest in state capacity, then we use $\tilde{I}$. $t = 1, 2, 3$ denotes the period of the game, so that for example T_2 means the the state chose targeted persecution in Period 2, and W_1 means it chose widespread persecution in Period 1.

Thus, the State's payoffs are as follows, where H_1^* denotes the Sangha's chosen level of hierarchy in Period 1. Here, $\delta \in (0, 1)$ is a discount factor which describes time preference.

$$\begin{aligned}
\pi(T_1, W_2, I) &= \theta(H_1^*) + \delta\nu((1 - \lambda)H_1^*) - (1 + \delta)C - \delta(1 - \beta)\epsilon \\
\pi(T_1, W_2, \tilde{I}) &= \theta(H_1^*) + \delta\nu((1 - \lambda)H_1^*) - (1 + \delta)C \\
\pi(W_1, T_2, I) &= \nu(H_1^*) + \delta\theta((1 - \omega)H_1^*) - (1 + \delta)C - \delta(1 - \beta)\epsilon \\
\pi(W_1, T_2, \tilde{I}) &= \nu(H_1^*) + \delta\theta((1 - \omega)H_1^*) - (1 + \delta)C \\
\pi(T_1, \tilde{W}_2, \tilde{I}) &= \theta(H_1^*) - C \\
\pi(W_1, \tilde{T}_2, \tilde{I}) &= \nu(H_1^*) - C \\
\pi(\tilde{T}_1, \tilde{W}_2, \tilde{I}) &= 0
\end{aligned}$$

We use the σ to denote the Sangha's payoffs, in these various scenarios. For example, $\sigma(H_2, H_3^*|T_1, W_3)$ is the Sangha's payoff when the State chooses targeted persecution in Period 1, and widespread persecution in Period 2. Notice that the Sangha only has a choice to make in Period 1. The Sangha's final payoff depends on the final level of hierarchy. These payoffs are listed as follows:

$$\begin{aligned}
\sigma(H_1|T_1, W_3) &= \psi((1 - \lambda)(1 - \omega)H_1) \\
\sigma(H_1|W_1, T_3) &= \psi((1 - \omega)(1 - \lambda)H_1) \\
\sigma(H_1|T_1, \tilde{W}_3) &= \psi((1 - \lambda)H_1) \\
\sigma(H_1|W_1, \tilde{T}_3) &= \psi((1 - \omega)H_1)
\end{aligned}$$

Figure 3 depicts the game.

To summarize, this is the timing of events:

- In Period 1, the State decides whether to engage in targeted, widespread, or no persecution. Simultaneous to this, the Sangha chooses its level of hierarchy, $H \in [0, \bar{H}]$.
- In Period 2, the State decides whether it would like to switch from one kind of persecution to another. Simultaneous to this, it also decides whether to invest in state capacity, thus lowering its cost of persecution C .
- Payoffs are realized in Period 3.

4.4. Equilibrium Analysis. We solve this game using backward induction, starting with Period 3, thus intending to find a subgame perfect Nash equilibrium.

Starting from Period 3, we derive the following Proposition.

Proposition 1. *There is a critical level of hierarchy, $\hat{H}$, which we call “moderate hierarchy.” At this level, the State is indifferent between targeted and widespread persecution, so that $\nu(\hat{H}) = \theta(\hat{H})$.*

When hierarchy is below this level, that is when $H < \hat{H}$, the State will always choose widespread persecution. When hierarchy exceeds $\hat{H}$, the State will always choose targeted persecution.

Proof. θ, ν are continuous on $[0, \bar{H}]$. By assumption, $v(0) = \rho > \theta(0)$ and $\theta(\bar{H}) > \nu(\bar{H})$. Define a function, $W(H) = \theta(H) - \nu(H)$. Since $W(0) < 0$ and $W(\bar{H}) > 0$, then by the Intermediate Value Theorem, there exists a value $\hat{H}$ such that $W(\hat{H}) = 0$, which just means that $\nu(\hat{H}) = \theta(\hat{H})$.

Furthermore, beyond $\hat{H}$, it is the case that $\theta(H) > \nu(H)$, which means that targeted persecution offers a higher payoff than widespread persecution – and so the State will always choose targeted persecution. By contrast, when $H < \hat{H}$, widespread persecution is preferred because $\nu(H) > \theta(H)$. $\square$

At this point, we have established that when a religious group is very hierarchical, it makes sense for the State to target its leaders, instead of engaging in a widespread oppression. This should be intuitive; a widespread oppression can be costly, but targeting leaders can flatten a religious group that is irksome to the State.

Indeed, in 1926, when confronted by a Sangha with a high degree of hierarchy, the head of the MPRP wrote to Comintern that the government was targeting the “rich [lamas]” who held authority (Kaplonski 2014, 89), an approach that continued to hold sway for a decade, until the state was sufficiently powerful to attack the Sangha more broadly.

To maintain analytical simplicity, we will only consider cases in which, when $\nu(\hat{H}) = \theta(\hat{H})$, the State chooses to engage in widespread persecution, which will be useful when considering the Sangha’s decision about H . In our next result, we show how state capacity, represented by the cost of persecution C , constrains the State’s ability to engage in repression.

Proposition 2. *The cost of persecution determines the State's ability to persecute, according to the following cost regimes.*

- (1) **Low Costs** *This occurs when $0 < C < \rho$. In such a case, it always benefits the State to persecute; both widespread and targeted persecution can occur.*
- (2) **Moderate Costs** *In this case, $\rho \leq C \leq \theta(\hat{H}) = v(\hat{H})$. In this case, persecution only makes sense when $v(H) \geq C$, or when $H \geq H_C = v^{-1}(C)$. Both widespread and targeted persecution can occur.*
- (3) **High Costs.** *This occurs when $\theta(\hat{H}) = v(\hat{H}) < C \leq \theta(\bar{H})$. Only targeted persecution can occur.*
- (4) **Extreme Costs.** *When $C > \theta(\bar{H})$. No persecution occurs.*

In general, the higher state capacity is (the lower is C), the more likely is persecution.

Proof. Consider the case where $0 < C < \rho$. Notice that $v(0) = \rho > 0$, which means that $v(0) - C > 0$, meaning widespread persecution is beneficial. Thus, by Proposition 1, either targeted or widespread persecution can occur.

Next consider the case where $\rho \leq C < \theta(\hat{H}) = v(\hat{H})$. For values of H where $\rho < v(H) < C$, the costs of persecution exceed its benefits, and no persecution will occur; this corresponds to low levels of hierarchy, making it a waste for the State to engage in persecution. Beyond this level of hierarchy, either widespread persecution occurs (when $v(H) > \theta(H)$), or targeted persecution (when $\theta(H) > v(H)$), as per Proposition 1.

In the case where $\theta(\hat{H}) = v(\hat{H}) < C \leq \theta(\bar{H})$, Proposition 1 tells us that widespread persecution is always costly, while targeted persecution can occur for values of H such that $\theta(H) > C$.

Finally, if $C > \theta(\bar{H})$, it is never beneficial to persecute, since by assumption, $\theta(\bar{H}) \geq \theta(H)$ and $\theta(\bar{H}) > v(H)$ for all values of H . If the cost of persecution is beyond this level, then it is always too costly to engage in persecution.

□

This result is key to our analysis, in that it describes exactly how state capacity constrains persecution: the greater the capacity, the lower the costs of oppression. In the case of Mongolia, the state was initially very weak, so that when it tried to engage in widespread persecution in 1928-32, it failed. Even its efforts at a Five Year Plan proved futile. It was only in the late 1930s, when the Mongolian state had developed, and was bolstered by Russian troops and NKVD officers, that monasteries were destroyed en masse, and lamas were systematically murdered.

We graph Propositions 1 and 2 in Figure 4, showing how, as the cost of persecution increases, it becomes more difficult to engage in state-directed repression. If the State is weak and unable to engage in widespread oppression of the Sangha, then it can invest in state capacity and switch from targeted to broad persecution, as the next proposition and its associated corollary demonstrate.

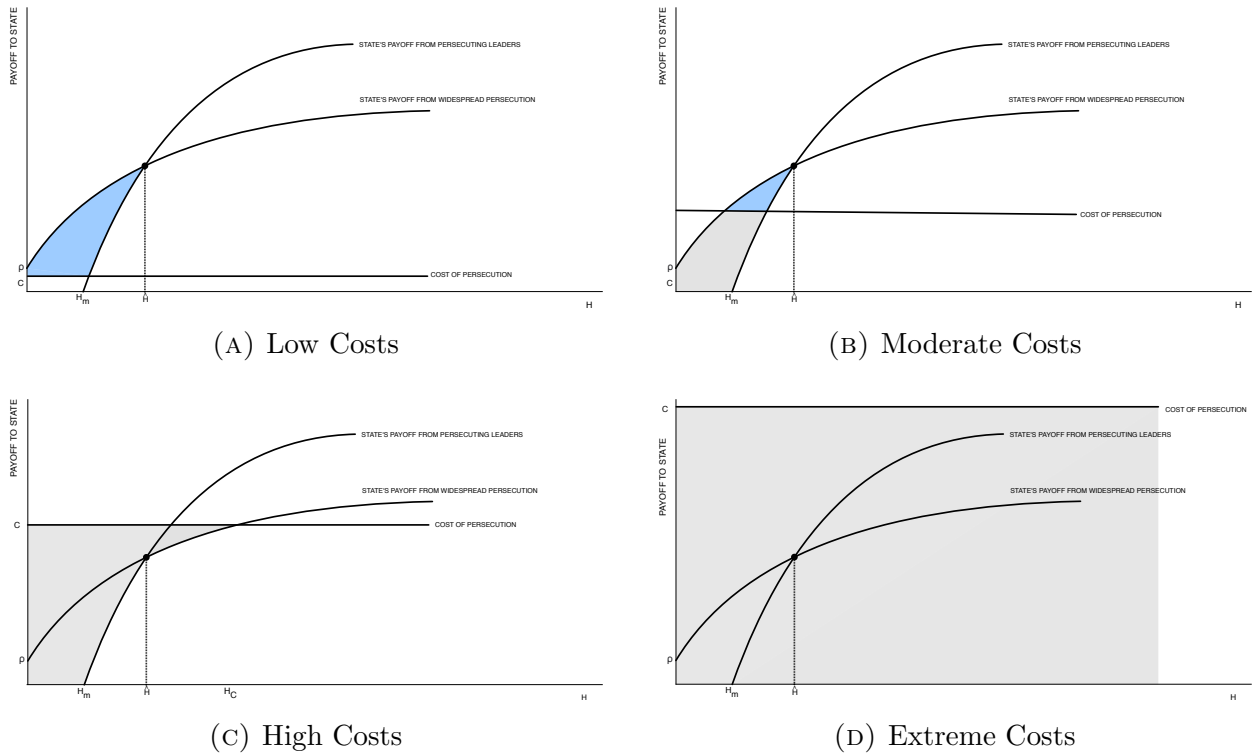


FIGURE 4. Costs to Persecution. Image (A) shows high state capacity, when any kind of persecution is available to the State. In Image (B), persecution costs are moderate, but the State can still engage in widespread persecution if hierarchy is sufficiently high. In Image (C), the State can only engage in targeted persecution, and in Image (D), the State cannot persecute at all.

Proposition 3. *In Period 2, the State will only switch from targeted to widespread persecution, and never vice versa. Furthermore, this switching only occurs if the Sangha chose a high level of hierarchy in Period 1.*

Proof. If the State were engaging in widespread persecution in Period 1, then by revealed preference, this would imply that $v(H_1^*) > \theta(H_1^*)$. This would in turn mean that the level of hierarchy was below $\hat{H}$, and there would be no benefit to switching, as per Proposition 1.

This means that switching can only occur if persecution was *targeted* in Period 1. To verify when this happens, we need to examine whether such switching can feasibly occur; there are two cases to consider.

First, if the State invests in State capacity, then its net payoff is $\theta(H_1^*) + \delta v((1 - \lambda)H_1^*) - (1 + \delta)C - \delta(1 - \beta)\epsilon$. In this case, the State will switch if and only if the net payoff is greater than that of ending the game after Period 2 – that is, $\theta(H_1^*) - C$. This occurs when $v((1 - \lambda)H_1^*) > C + (1 - \beta)\epsilon$.

Second, if the State decides against investing in State capacity, then its net payoff, $\theta(H_1^*) + \delta v((1 - \lambda)H_1^*) - (1 + \delta)C$ from such a decision must exceed $\theta(H_1^*) - C$, which occurs when $v((1 - \lambda)H_1^*) > C$.

Finally, to confirm that such switching only occurs if the Sangha chose a high level of hierarchy in Period 1, it is sufficient to notice that a high level of hierarchy implies targeted persecution is preferable in Period 1 for the State. Because ψ is monotonically increasing in H , if the Sangha is to choose a high level of hierarchy, then it should choose $\bar{H}$ to maximize its payoff. We need therefore simply invoke Proposition 1, which states that targeted persecution occurs under high hierarchy, while widespread persecution occurs under low levels of hierarchy.

□

Corollary 1. *If the State persecutes in Period 2, then it will also invest in state capacity if and only if $C > 2\rho$: that is, if the cost of further persecution is too high without such an investment.*

Proof. This is simple to see, because the payoff from persecution with investment, $\theta(H_1^*) + \delta v(H_3^*) - (1 + \delta)C - \delta(1 - \beta)\epsilon$, exceeds that without investment, $\theta(H_1^*) + \delta v(H_3^*) - (1 + \delta)C$, if and only if $\beta > 1$. Since, by assumption, $\beta = \frac{C - \rho}{\rho}$, this reduces to the condition $C > 2\rho$. $\square$

In general, then, we see that when the Sangha is well-organized, with an identifiable leadership structure, then the State is willing to engage in initial, targeted persecution. The State will switch to widespread persecution later on, but only if the costs of continuing repression are sufficiently low, as the next proposition explains.

Proposition 4. *The State continues repression into Period 2 only if the benefits of further persecution exceed its cost, given the State's current capacity.*

In particular, the State will end the game before Period 2, if one of the following conditions are met:

1. $C > 2\rho$ and $C > v((1 - \lambda)H_1^*) - (1 - \beta)\epsilon$.

OR

2. $C \leq 2\rho$ and $C > v((1 - \lambda)H_1^*)$.

Otherwise, the State will decide to continue with persecution.

Proof. If $C > 2\rho$, then by Corollary 1, the State should invest in state capacity in Period 2. This will yield a payoff of $\theta(H_1^*) + \delta v((1 - \lambda)H_1^*) - (1 + \delta)C - \delta(1 - \beta)\epsilon$. The alternative is to end the game, which yields a payoff of $\theta(H_1^*) - C$, which exceeds the payoff from further persecution if $\theta(H_1^*) + \delta v((1 - \lambda)H_1^*) - (1 + \delta)C - \delta(1 - \beta)\epsilon < \theta(H_1^*) - C$. This reduces to $C > v((1 - \lambda)H_1^*) - (1 - \beta)\epsilon$.

On the other hand, if $C \leq 2\rho$, then the State will not invest in Persecution in Period 2, yielding a payoff of $\theta(H_1^*) + \delta v((1 - \lambda)H_1^*) - (1 + \delta)C$. The payoff from ending the game is $\theta(H_1^*) - C$, which by a similar argument reduces to $C > v((1 - \lambda)H_1^*)$. $\square$

The former proposition suggests that when state capacity is very low, and the costs of persecution are thus too high, then the State will not move ahead with further persecution.

Proposition 5. *If the damage from targeted persecution is limited, relative to the benefits of hierarchy, then the Sangha chooses a high level of hierarchy in Period 1. When the risk of escalation is high, the Sangha may instead choose a lower (“moderate”) level of hierarchy to reduce the likelihood of widespread repression in Period 2.*

In particular, if $\lambda < (\bar{H} - \hat{H})/(\bar{H})$, then the Sangha always chooses the maximum level of hierarchy, $\bar{H}$, in Period 1. In other words, the Sangha’s level of hierarchy should be high enough to compensate for its damage from targeted persecution.

If this condition is not met, then the Sangha will choose its hierarchy according to the following rules:

(1) The Sangha chooses $\bar{H}$ if the conditions in Proposition 4 are met.

(2) The Sangha chooses $\hat{H}$ if the conditions in Proposition 4 are not met.

In cases (1) and (2), the State will not move forward with further persecution in Period 2.

Proof. Note first that H is a continuous variable by assumption. The Sangha knows that there are three possible outcomes in this game: (a) The State chooses targeted persecution in Period 1, and switches to widespread persecution in Period 2, as per Proposition 3; (b) The State chooses targeted persecution in Period 1 and the game ends; or (c) The State chooses widespread persecution in Period 1 and the game ends.

If (a), then the Sangha gets a payoff of $\sigma(H_1|T_1, W_3) = \psi((1 - \lambda)(1 - \omega)H_1)$; If (b), then it gets a payoff of $\sigma(H_1|T_1, \tilde{W}_3) = \psi((1 - \lambda)H_1)$; or under (c), it gets a payoff of $\sigma(H_1|W_1, \tilde{T}_3) = \psi((1 - \omega)H_1)$.

If the Sangha is to endure targeted persecution in Period 1, then that means, by Proposition 1, that the Sangha has a level of hierarchy above $\hat{H}$. Because ψ is monotonically increasing in H , the Sangha might as well choose the maximum level of hierarchy at this point, $\bar{H}$, which will maximize its payoff. Therefore, assuming the Sangha is content to endure targeted persecution, its payoff will either be:

$\psi((1 - \lambda)(1 - \omega)\bar{H})$ if the State engages in widespread persecution in Period 2.

OR

$\psi((1 - \lambda)\bar{H})$ otherwise.

Notice that $\psi((1 - \lambda)\bar{H}) > \psi((1 - \lambda)(1 - \omega)\bar{H})$, because the function is monotonically increasing in H .

If the Sangha wishes to avoid Period 2 persecution altogether, then by Proposition 3, it will choose a moderate level of hierarchy in Period 1, so that its payoff will be $\psi((1 - \omega)\hat{H})$.

If, therefore, $\psi((1 - \lambda)(1 - \omega)\bar{H}) > \psi((1 - \omega)\hat{H})$, then the Sangha will always choose the maximum level of hierarchy, regardless of what the State does. Since ψ is monotonically increasing in H , this simply means that $(1 - \lambda)(1 - \omega)\bar{H} > (1 - \omega)\hat{H}$, which reduces to $\lambda < (\bar{H} - \hat{H})/(\bar{H})$.

Intuitively, if the damage from targeted persecution λ , is sufficiently low, then the Sangha will always choose to maximize its level of hierarchy, given the benefits which accrue from having a well-organized religion.

If, on the other hand, it is the case that $\lambda \geq (\bar{H} - \hat{H})/(\bar{H})$, then the costs from a second round of persecution in Period 2 are too high. Therefore, the Sangha will examine whether it is in the State's interest to continue persecution, as per Proposition 4; if those conditions are met, then it will choose a moderate level of hierarchy $\hat{H}$, inviting widespread persecution in Period 1, and no subsequent persecution afterwards, as per Proposition 3 – thus, the Sangha will earn a payoff of $\psi((1 - \omega)\hat{H})$. If those conditions are not met, and the State has no incentive to continue persecution in Period 2, then the Sangha will choose maximum hierarchy, $\bar{H}$, earning a payoff of $\psi((1 - \lambda)\bar{H})$. $\square$

From the Sangha's point of view, it has a choice to make: either maintain the benefits of a high level of hierarchy, and hence risk persecution, or whittle down the administrative structure of the religion, and thus hope to avoid sustained persecution. In the case of communist Mongolia, the Sangha clearly chose the former option, with the result that high-ranking lamas were targeted for persecution.¹²

¹²The latter option, in which a religion decides to strip down its hierarchy in order to preserve itself, was not seen in Mongolia, but was historically seen in England in the 16th and 17th centuries. During that time, of the English Reformation, the Crown banned Roman Catholicism. The Church of Rome therefore abandoned its grand, bureaucratic hierarchy, and relied upon a loose network of underground priests, who secretly visited laymen's homes to perform sacraments (Bossy, 1975). This corresponds to the 'moderate hierarchy' of our model.

Our results explain why a religion that is facing persecution may not decide to immediately flee. Firstly, if state capacity is sufficiently low, the religious group may continue to reap the benefits of hierarchy, while facing only limited, targeted persecution of the leadership. Secondly, even if the Sangha knows that the future outcome is one of potentially existential doom, the rational decision for the present may still be to benefit from a high level of hierarchy, and retain organization and clergy; this is a direct implication of Proposition 5. If the future means certain death, then one might as well enjoy the spoils today.

4.5. Remarks. The model generates predictions that align closely with the historical record in communist Mongolia.

When the Mongolian state had low capacity (high C), as in the 1920s and early 1930s, it was largely restricted to targeted repression of high-ranking lamas. This matches Proposition 2. Ambitious attempts to move beyond targeted persecution — most notably the radical “Left Turn” of 1928–1932 — failed because the state lacked the resources to enforce broader measures, consistent with Proposition 3.

Mongolia was able to nearly eradicate organized Buddhism thanks to its buildup of state capacity in the mid-1930s (through Soviet military advisers, secret policy reorganization, and administrative centralization), allowing for widespread repression of the faithful. In particular, the Extraordinary Plenipotentiary Commission was a key player in rounding up lamas and killing them (Kaplonski 2014, 207). The commission was chaired by Choibalsan, and sentenced over 20,000 people to various forms of punishment — show trials were conducted for high profile cases. The sharp escalation after 1937, when the monastic population collapsed and thousands of lamas were executed, illustrates how rising capacity enabled the transition from targeted to widespread persecution.

When it came to the closure of monasteries, the Mongolian government surveyed the monasteries in 1937 in preparation for their dissolution — (unfortunately, these surveys appear to be lost (Kaplonski 2014, 210)). After that, the procedure was for Ministry of Interior staff, backed by Mongolian and Soviet troops, to ride up to the monasteries and force the lamas to

vacate, arresting many. Precious items were confiscated, and the monastery would usually be demolished or burned. The few intact monasteries became government property.

The model also helps explain the Sangha's behavior. Because the damage from targeted repression was limited relative to the organizational benefits of hierarchy, maintaining a high level of H seemed rational for the Sangha until state capacity improved dramatically in the late 1930s.

This begs the question, as to why the Sangha did little to shield itself from the onslaught. In terms of our model, this would involve the Sangha whittling down its hierarchy in some manner. To be sure, the Soviet-backed purges of the late 1930s were sudden and surprising, leaving little time for resistance or flight. Yet, what about the earlier cases, of persecution of the leadership? Based on the logic of our model, as well as insights from history, it appears that the Sangha was content to maintain the benefits of hierarchy, while tolerating limited persecution. The cost-benefit analysis here is similar to that mentioned in Proposition 5.¹³

5. CONCLUSION

We consider here a game-theoretic model of religious persecution, and how it interacts with state capacity. We demonstrate that weak states can only target religious leaders, while strong states can engage in both targeted and widespread repression. We apply this logic to the case of communist Mongolia, in which both state-building and anti-religious policy were quasi-exogenous, driven by the Soviet Union. The model neatly fits the observed history of Mongolia from 1921 to 1939, a period which involved the near-eradication of institutional Buddhism in the country, as the centralized state grew in power.

These findings contrast with those of prior work on state capacity and religious persecution, which focus on Europe (Johnson and Koyama, 2019, 2013), showing that as the state grew in its capacity, it transformed from a persecuting to a tolerant polity. Weak rulers in medieval and early modern Europe relied upon religious authorities for legitimacy, and would either persecute competing religions to maintain power, or allow for conditional toleration.

¹³We add that Mongolia is bordered by the Gobi desert and steppes, as well as a well-policed Russian border, which would have made escape difficult.

However, as states grew in power, improving in their ability to gather taxes and enforce laws, they had to appeal to a broader population – and hence were incentivized to tolerate other faiths.¹⁴

Yet, the authors of these studies caution that state capacity is not a universal good:

“The process of state building was often brutal and we view its results with a degree of ambiguity. On the one hand, it made possible the totalitarian nightmares of Nazi Germany and Soviet Russia. On the other hand, modern states bring many benefits, especially when viewed in comparison to their premodern predecessors.” (Johnson and Koyama 2019, 4)

We highlight in our study precisely such a “brutal” case, in which a growing state turns its strength against organized religion, resulting in bloodshed. We furthermore unravel the mechanisms through which waves of persecution occur, from targeted to widespread oppression.

We therefore follow a recent line of research, which suggests that state capacity, while leading to beneficial outcomes, can come with significant costs (Heldring, 2026; Heldring and Robinson, 2023; Christian, 2019; Johnson and Koyama, 2013; Leeson, 2007). These costs, including those of possible violence as the state develops, should be factored into how state capacity is conceptualized. This is especially the case for totalitarian regimes, which use violence to accomplish policy objectives.

It is likely that the reason the Soviet Union was so keen to eradicate religion within Mongolia was because its communist ideology was fundamentally at odds with traditional Buddhism. Any attempts to co-opt the Sangha, therefore, would have been in vain; communist philosophy is all-encompassing, and demands a way of life that is diametrically opposed to spiritual

¹⁴An example of this is that of Frankfurt’s Jewish population, which faced strict limitations from 1462 onwards, and was confined to a ghetto (Johnson and Koyama 2019, 6-8). Later, from 1780 to 1790, Emperor Joseph II centralized and secularized the Habsburg state, dissolving monasteries, expanding public education, and improving administration. His policies included the granting of civic rights to Jews, on the condition that they integrate into society, and abandon religious practices such as rabbinical courts and Jewish family law. The Frankfurt Jews were free to practice their religion in private, but were to be incorporated as part of the newly-expanded polity.

practice. Therefore, the religious impediment had to be exterminated, from the point of view of the Soviet planners.

More broadly, our results suggest that authoritarian control over civil society and religious institutions is often capacity-constrained. Regimes with strong ideological hostility toward independent organizations may still be limited in their ability to destroy them until they first build the coercive apparatus necessary for mass repression.

This interaction, between ideology, the state, and persecution, should be explored more in future work. It is also worth teasing out how the state may choose to co-opt religion, and at other times persecute it.¹⁵ Future research could also examine whether this mechanism applies to other hierarchical organizations — such as political parties or businesses — and whether similar dynamics operate in non-communist authoritarian settings.¹⁶

¹⁵Auriol and Platteau (2017) study a model of religious co-option in autocracy, but do not examine when persecution may be optimal for the state.

¹⁶Our study also demonstrates that for the persecuted population, it is of significant advantage, if it is able, to overthrow the persecuting State apparatus while it is still weak - and before it increases its capacity and with it, its capacity to efficiently carry out widespread persecutions.

REFERENCES

- Abeyssekara, Ananda. 2022. On rewriting Buddhism: Or, how not to write a history. *Religion and Society* 13: 39–80.
- Acemoglu, Daron, Camilo García-Jimeno, and James A. Robinson. 2015. State capacity and economic development: A network approach. *American Economic Review* 105: 2364–2409.
- Acemoglu, Daron, Jacob Moscona, and James A. Robinson. 2016. State capacity and American technology: Evidence from the nineteenth century. *American Economic Review* 106: 61–67.
- Anderson, Robert Warren, Noel D. Johnson, and Mark Koyama. 2017. Jewish persecutions and weather shocks: 1100–1800. *Economic Journal* 127: 924–958.
- Auriol, Emmanuelle, and Jean-Philippe Platteau. 2017. Religious co-option in autocracy: A theory inspired by history. *Journal of Development Economics* 127: 395–412.
- Azzi, Corry, and Ronald G. Ehrenberg. 1975. Household allocation of time and church attendance. *Journal of Political Economy* 83: 27–56.
- Baabar [Bat-Erdene Batbayar]. 1999. *Twentieth century Mongolia*. Edited by C. Kaplonski. Translated by D. Sühjargalmaa, S. Burenbayar, H. Hulan, and N. Tuya. Cambridge: White Horse Press.
- Bass, Catriona. 1998. *Education in Tibet: Policy and practice since 1950*. London: Zed Books in association with Tibet Information Network.
- Bazzi, Samuel, Masyhur Hilmy, and Benjamin Marx. 2026. Religion, education, and the state. *Review of Economic Studies* 93: 1494–1535.
- Becker, Sascha O., Jared Rubin, and Ludger Woessmann. 2024. Religion and growth. *Journal of Economic Literature* 62: 1094–1142.
- Becker, Sascha O., Steven Pfaff, and Jared Rubin. 2016. Causes and consequences of the Protestant Reformation. *Explorations in Economic History* 62: 1–25.
- Besley, Timothy, and Torsten Persson. 2010. State capacity, conflict, and development. *Econometrica* 78: 1–34.
- Besley, Timothy, and Torsten Persson. 2011. The logic of political violence. *Quarterly Journal of Economics* 126: 1411–1445.
- Bossy, John. 1975. *The English Catholic community, 1570–1850*. London: Darton, Longman and Todd.
- Bradsher, Henry S. 1972. The Sovietization of Mongolia. *Foreign Affairs* 50(3): 545–553.
- Buckley, David T., and Luis Felipe Mantilla. 2013. God and governance: Development, state capacity, and the regulation of religion. *Journal for the Scientific Study of Religion* 52: 328–348.

- Butler, Matthew. 2002. Keeping the faith in revolutionary Mexico: Clerical and lay resistance to religious persecution, East Michoacán, 1926–1929. *The Americas* 59: 9–32.
- Butler, Matthew. 2006. Revolution and the ritual year: Religious conflict and innovation in Cristero Mexico. *Journal of Latin American Studies* 38: 465–490.
- Chandler, David. 2008. *A history of Cambodia*. 4th ed. Boulder, CO: Westview.
- Christian, Cornelius. 2019. The political and economic role of elites in persecution: Evidence from witchcraft trials in early modern Scotland. *Review of Economics and Institutions* 10(2).
- Dell, Melissa, Nathan Lane, and Pablo Querubín. 2018. The historical state, local collective action, and economic development in Vietnam. *Econometrica* 86: 2083–2121.
- Dincecco, Mark. 2017. *State capacity and economic development: Present and past*. Elements in Political Economy. Cambridge: Cambridge University Press.
- Epstein, Israel. 1983. *Tibet transformed*. Beijing: New World Press.
- Espín-Sánchez, José-Antonio, Salvador Gil-Guirado, and Nicholas Ryan. 2026. Praying for rain. *Quarterly Journal of Economics*. Advance article, May 11.
- Even, Marie-Dominique. 2011. Ups and downs of the divine: Religion and revolution in 20th century Mongolia. In *Proceedings of the Third International Symposium “The Book. Romania. Europa,”* ed. Adina Berciu, Rodica Pop, and Julieta Rotaru, 627–644. Bucharest: Bibliothèque Métropolitaine de Bucarest.
- Geloso, Vincent J., and Alexander W. Salter. 2020. State capacity and economic development: Causal mechanism or correlative filter? *Journal of Economic Behavior & Organization* 170: 372–385.
- Gill, Anthony, and Arang Keshavarzian. 1999. State building and religious resources: An institutional theory of church-state relations in Iran and Mexico. *Politics & Society* 27: 431–465.
- Gochenour, Zachary J., and John A. Robinson. 2019. The role of hierarchy in the production of salvation goods. *Journal of Private Enterprise* 34(1).
- Goldstein, Melvyn C. 1997. *The snow lion and the dragon: China, Tibet, and the Dalai Lama*. Berkeley: University of California Press.
- Goldstein, Melvyn C. 2007. *A history of modern Tibet, volume 2: The calm before the storm, 1951–1955*. Berkeley: University of California Press.
- Goldstein, Melvyn C. 2010. Bouddhisme tibétain et monachisme de masse [Tibetan Buddhism and mass monasticism]. In *Des moines et des moniales dans le monde: La vie monastique dans le miroir de la parenté*, ed. Adeline Herrou and Gisèle Krauskopff, 409–424. Toulouse: Presses Universitaires du Mirail.

- Goldstein, Melvyn C. 2014. *A history of modern Tibet, volume 3: The storm clouds descend, 1955–1957*. Oakland: University of California Press.
- Goldstein, Melvyn C., Ben Jiao, and Tanzen Lhundrup. 2009. *On the Cultural Revolution in Tibet: The Nyemo incident of 1969*. Berkeley and Los Angeles: University of California Press.
- Grosfeld, Irena, Seyhun Orcan Sakalli, and Ekaterina Zhuravskaya. 2020. Middleman minorities and ethnic violence: Anti-Jewish pogroms in the Russian Empire. *Review of Economic Studies* 87: 289–342.
- Hao, Yu, Ningning Ma, Tianyang Xi, and Wuyue You. 2026. Land reform as a party-building strategy in post-revolutionary China. Working paper. <https://ssrn.com/abstract=6144010>.
- Harris, Ian. 2013. *Buddhism in a dark age: Cambodian monks under Pol Pot*. Honolulu: University of Hawai'i Press.
- Heldring, Leander. 2021. The origins of violence in Rwanda. *Review of Economic Studies* 88: 730–763.
- Heldring, Leander. 2025. The cost of state-building: Evidence from Germany. NBER Working Paper No. 34586, National Bureau of Economic Research. Revised February 2026.
- Heldring, Leander, and James A. Robinson. 2023. Problematizing state capacity: The Rwandan case. *Journal of Institutional Economics* 19: 401–425.
- Human Relations Area Files. 1956. *Mongolian People's Republic (Outer Mongolia)*. Vol. 2. Prepared by University of Washington, Far Eastern and Russian Institute. New Haven: Human Relations Area Files, Annex A. <https://babel.hathitrust.org/cgi/pt?id=uc1.b3279220&seq=447>.
- Iannaccone, Laurence R. 1988. A formal model of church and sect. *American Journal of Sociology* 94 (Supplement): S241–S268.
- Information Office of the State Council of the People's Republic of China. 2009. White paper: Fifty years of democratic reform in Tibet. Embassy of the People's Republic of China in the Kingdom of Belgium, March 2. https://be.china-embassy.gov.cn/eng/zbj1/200903/t20090320_2088890.htm.
- Iyer, Sriya, and Anand Shrivastava. 2018. Religious riots and electoral politics in India. *Journal of Development Economics* 131: 104–122.
- Johnson, Noel D., and Mark Koyama. 2013. Legal centralization and the birth of the secular state. *Explorations in Economic History* 50: 645–664.
- Johnson, Noel D., and Mark Koyama. 2014. Taxes, lawyers, and the decline of witch trials in France. *Journal of Law and Economics* 57: 77–112.
- Johnson, Noel D., and Mark Koyama. 2019. *Persecution and toleration: The long road to religious freedom*. Cambridge: Cambridge University Press.

- Kaplonski, Christopher. 2014. *The lama question: Violence, sovereignty, and exception in early socialist Mongolia*. Honolulu: University of Hawai'i Press.
- Khalil, Umair, and Laura Panza. 2025. Religion and persecution. *Journal of Economic Growth* 30: 87–159.
- Kiernan, Ben. 2003. The demography of genocide in Southeast Asia: The death tolls in Cambodia, 1975–79, and East Timor, 1975–80. *Critical Asian Studies* 35: 585–597.
- King, M. Scott, and Claudia Williamson Kramer. 2025. State antiquity and economic progress: Cause or consequence? *Public Choice* 203: 77–103.
- Koesel, Karrie J. 2014. *Religion and authoritarianism: Cooperation, conflict, and the consequences*. Cambridge: Cambridge University Press.
- Krishan, Yuvraj. 1999. Destruction of cultural property in war and ethnic conflict—Policies for subsequent restoration. *The Tibet Journal* 24: 66–83.
- Lama, Jigme Yeshe. 2024. Binding the deities: Tibetan Buddhism, reincarnation and the Chinese Communist Party. *China Report* 60: 413–429.
- Lattimore, Owen. 1962. *Nomads and commissars: Mongolia revisited*. New York: Oxford University Press.
- Leeson, Peter T. 2007. Better off stateless: Somalia before and after government collapse. *Journal of Comparative Economics* 35: 689–710.
- Leonhardt, Ron. 2013. The economics of genocide: Cambodia's financial collapse prior to Year Zero, 1950–1975. *The Northerner Historical Review* 1(1).
- Lu, Yi, Mengna Luan, and Tuan-Hwee Sng. 2020. Did the communists contribute to China's rural growth? *Explorations in Economic History* 75: 101315.
- Milne, Elizabeth, John E. Leimone, F. Rozwadowski, and Padej Sukachevin. 1991. *The Mongolian People's Republic: Toward a market economy*. IMF Occasional Paper No. 79. Washington, DC: International Monetary Fund.
- Morozova, Irina Y. 2002. *The Comintern and revolution in Mongolia*. Cambridge: White Horse Press.
- Murphy, George G. S. 1966. *Soviet Mongolia: A study of the oldest political satellite*. Berkeley and Los Angeles: University of California Press.
- Ookhnoi, Batsaikhan. 2024. The time of the Eighth Bogd Jebtsundamba as the climax of the Jebtsundamba institutions in (Halh) Mongolia. *Études mongoles et sibériennes, centrasiatiques et tibétaines* 55.
- Rahul, Ram. 1992. *Modern Tibet*. New Delhi: Munshiram Manoharlal.

- Saiya, Nilay, and Stuti Manchanda. 2025. Monks behaving badly: Explaining Buddhist violence in Asia. *International Security* 49: 119–159.
- Sarkissian, Ani. 2015. *The varieties of religious repression: Why governments restrict religion*. New York: Oxford University Press.
- Schonthal, Benjamin. 2017. Formations of Buddhist constitutionalism in South and Southeast Asia. *International Journal of Constitutional Law* 15: 705–733.
- Shakya, Tsering. 1999. *The dragon in the land of snows: A history of modern Tibet since 1947*. New York: Columbia University Press.
- Strauss, Julia. 2017. Campaigns of redistribution: Land reform and state building in China and Taiwan, 1950–53. In *States in the developing world*, ed. Miguel A. Centeno, Atul Kohli, and Deborah J. Yashar, 339–362. Cambridge: Cambridge University Press.
- Tianlu, Zhang. 1989. *Population change in Tibet*. Beijing: Tibetan Studies Publishing House of China.
- Tridimas, George. 2021. Religion without doctrine or clergy: The case of Ancient Greece. *Journal of Institutional Economics* 18: 677–691.
- Valencia Caicedo, Felipe. 2019. The mission: Human capital transmission, economic persistence, and culture in South America. *Quarterly Journal of Economics* 134: 507–556.
- Voigtländer, Nico, and Hans-Joachim Voth. 2012. Persecution perpetuated: The medieval origins of anti-Semitic violence in Nazi Germany. *Quarterly Journal of Economics* 128: 469–530.
- Vu, Trung V. 2025. The growth effect of state capacity revisited. *Oxford Bulletin of Economics and Statistics* 87: 499–538.
- Wang, Qisheng. 2001. Relations between the Nationalist Party (Guomindang) and the government: Party rule at local levels (1927–1937). *Social Sciences in China* (3): 187–203.
- Wang, Xiaoxuan. 2020. *Maoism and grassroots religion: The Communist revolution and the reinvention of religious life in China*. New York: Oxford University Press.
- Weber, Max. 1922. *Wirtschaft und Gesellschaft: Grundriss der verstehenden Soziologie*. Tübingen: J.C.B. Mohr (Paul Siebeck).
- Welch, Holmes. 1972. *Buddhism under Mao*. Cambridge, MA: Harvard University Press.
- Worden, Robert L. 1991. Historical setting. In *Mongolia: A country study*, 2nd ed., ed. Robert L. Worden and Andrea Matles Savada, 1–37. Washington, DC: Federal Research Division, Library of Congress.

APPENDIX A. PERSECUTION OF BUDDHISM IN TIBET, CHINA, AND CAMBODIA

In our main article, we consider the communist repression of Mongolian Buddhism. However, other Marxist-inspired Asian regimes – namely, Tibet, China, and Cambodia – also persecuted the domestic Sangha. These other cases, however, are not as clean as the Mongolian case, in that the state fluctuated between oppression and accommodation, and it is difficult to disentangle religious persecution from other policies, such as land redistribution or indiscriminate mass killings. Furthermore, state-building and persecution were likely more endogenous; in Mongolia, by contrast, they were driven by outside Soviet forces. Nevertheless, we sketch elements of these other cases, which demonstrate how generalizable our game-theoretic framework is.

In what follows, we consider each of these cases in turn. To keep the analysis as consistent as possible with that of Mongolia, we examine cases in which other communist governments attempted to repress Buddhism.

A.1. Tibet. From 1912 to 1951, Tibet was an independent country, with its capital in Lhasa. The Dalai Lama, the spiritual leader of Tibetan Buddhism, was also Tibet’s secular head of state. Beneath him was a Council of Ministers (*Kashag*), which functioned as an executive body of up to eight men (Goldstein 2007, 4). There was also a national assembly of lay aristocrats and high-ranking monastics which met irregularly, at the Kashag’s pleasure. Tibet was, in effect, a feudal theocracy.

Buddhist monasteries throughout the land, except for those in Lhasa, were administered by a central body which reported to the Dalai Lama (Rahul 1992, 49). Monasteries controlled 37 percent of arable land (Epstein 1983, 406), and 20-30 percent of the male population were monks (Goldstein, 2010). Three major monasteries in Lhasa – Drepung, Sera, and Ganden – were vast, operating as seminaries, and holding tens of thousands of monks.

The state by contrast was weak, and the economy operated in a manner akin to England’s medieval manorial system (Goldstein 2007, 9-12). Local hereditary lords had their own serfs and controlled 25 percent of arable land (Epstein 1983, 406), dealing with the bulk of tax collection and civil matters. Centralized tax collection was feeble (Rahul 1992, 53). In the

1920s, young, educated citizens tried and failed to modernize the Tibetan military; they were opposed by established lay and monastic elites (Goldstein 1997, 35), who worried that a strong army would tilt the balance of power to their detriment.

In 1950, China's People's Liberation Army (PLA) swiftly invaded and occupied Tibet. In May of 1951, an agreement was signed by the governments of China and Tibet, incorporating Tibet into the People's Republic of China. The Chinese government promised to respect the Tibetan religion and the Dalai Lama's status, with future reforms conducted through consultation.

At this point, China had weak state capacity (as I demonstrate in the "China" subsection below). Moreover, China's leader Mao Zedong was pragmatic; he was keen to co-opt Tibet's elite, and capture the hearts and minds of its people, instead of outright persecuting religion. He therefore initially allowed Tibet to continue ruling itself, as a Chinese satrap, with Buddhist practice continuing (Goldstein 2007, 179-183).

The Chinese set to work, developing administrative and military capacity within Tibet. A road was built from inland China to Lhasa by 1954 (Goldstein 2007, 418). Tibetan armed units were gradually integrated into the PLA, and the PLA's presence was bolstered, so that tens of thousands of troops were stationed in cities like Lhasa, Shigatse, and Gyantse. The school system was also reformed, so that Chinese state-funded, secular education was provided to Tibetan children (Bass 1988, 30-31).

In 1955, the CCP tried to collectivize parts of Tibet, a move which was met with an uprising in the east (Shakya 1999, 139). Chinese cadres were attacked and, in many cases, killed by local villagers. Although the PLA quashed the uprising in 1956, the ensuing violence led to the destruction of villages and monasteries, and the collectivization campaign failed. Refugees fled to central Tibet, engendering growing hostility to Chinese rule.

Subsequently, the PLA's presence in Tibet was bolstered, increasing military capacity (Goldstein 2014, 227-230). Beijing retreated from its Tibetan collectivization project, for the time being. In 1956, the Chinese established the Preparatory Committee for the Tibet

Autonomous Region (PCART), an interim governing body; in addition, fresh CCP cadres entered Tibet (Golstein 2014, 310).

In March, 1959, a major rebellion started in Lhasa, and spread throughout Tibet, amidst rumours that Chinese cadres intended to kidnap the Dalai Lama. The Tibetan government was dissolved, the Dalai Lama fled to India, and the PLA was deployed, shelling Lhasa, and destroying major monasteries in the process. During the conflict, elite property was confiscated, and monasteries were closed. Within two weeks, the revolt was suppressed.

The uprising transformed Beijing's approach to Tibet from one of gradualism to a more aggressive, socialist policy. Monastic estates, aristocratic holdings, and government land were seized and redistributed to freed serfs, thousands of whom were made into CCP cadres. By late 1960, Beijing had created 1,009 township-level administrative units across Tibet, responsible for resource mobilization and tax-gathering (Information Office of the PRC, 2009). The Chinese government also accelerated road construction, and implemented new taxes (Goldstein 2009, 61).

Although the second-highest spiritual leader in Tibet, the Pachen Lama, retained some political power, the confiscation of monastic wealth, and the freeing of monastic serfs (Goldstein 2009, 60) meant that monks could no longer afford to maintain their lifestyle. The total number of monasteries fell from 2,711 in 1958 to 370 in 1960, and the number of monks fell from 114,000 to 18,104 over the same period (Tianlu 1989, 28).

This initial wave of religious persecution was framed in class terms against high-ranking lamas, and abbots, who were portrayed as counter-revolutionaries. Low-ranking monks were encouraged to rebel against their superiors. However, even at this stage, the Chinese authorities sought to co-opt key Buddhist elites, and to control Buddhism through state-run religious institutions, approved reincarnations,¹⁷ and Democratic Management Committees within monasteries (Lama, 2024).

¹⁷In Tibet, high-ranking Buddhist leaders were thought to be reincarnations of enlightened beings. Thus, when a leader died, a new one was sought throughout Tibet, and was approved by a council of learned monks.

It was not until the Cultural Revolution, which began in 1966, that the CCP focused its attention on persecuting Tibet's Sangha in particular. By this time, the Chinese government's presence in Tibet was considerably larger, so that implementation of Mao's goal, to eradicate institutional religion, was more feasible. Red Guard units "systematically searched houses to collect and destroy religious paraphernalia, such as statues, icons, and prayer wheels," and "mobilized villagers to tear down most monasteries and temples" (Goldstein 2009, 66). By the end of the Cultural Revolution in 1976, Tibetan Buddhism was almost destroyed within Tibet, with only 8 monasteries remaining, and only 970 monks left (Krishnan, 1999).

The Chinese Communist Party's persecution of Tibet's Sangha fits key insights from our game-theoretic model. First of all, when persecution started in haste after 1959, it was the Buddhist elites who were targeted for scorn – it was not until the Cultural Revolution, later on, that widespread repression of Buddhism could be systematically undertaken. This is because as Chinese state capacity increased, communist cadres could more efficiently carry out Beijing's directives. The Sangha, which was very hierarchical, first suffered targeted persecution, and then widespread repression.

However, the Tibetan case study is complicated by the fact that the CCP endeavoured to co-opt key monastic elites and institutions, including the Dalai Lama and Pachen Lama. The initial strategy appears to have been a manufactured decline in religion, as opposed to an organized, systematic persecution. Even the pre-Cultural Revolution repression of Buddhism must be viewed as part of a broader campaign to implement socialist land reform. For these reasons, Tibet offers a messier example. The building of state capacity was arguably exogenous, but the persecution of the Sangha must also be viewed in the context of the 1959 Lhasa uprising and its consequences for Beijing.

A.2. China. When communist leader Mao Zedong overthrew Kuomintang (KMT) nationalists and gained power in China in 1949, the state was relatively weak. Hyperinflation, rural unrest, and the Japanese invasion of 1931-45 had drained resources. The KMT had relied upon landlords and local despots for tax collection (Wang 2001). Upon assuming power, the CCP deposed the local elites and implemented comprehensive land reform, strengthening the

central state (Hao et al., 2026). Mao also ensured that loyal party members were deployed at every administrative level, resulting in an expansion in CCP membership from 2.7 million in 1949 to over 6 million in 1953.

The Buddhist Sangha in China was not highly-organized like Mongolia's. China's Mahayana (Han) Buddhism was more decentralized: each temple or monastery operated independently, with authority vested in the abbot. Monasteries funded their expenses from rents on land, donations, and ritual fees. National organizations existed, such as the Chinese Buddhist Association, but these had no coercive power, and merely functioned as advocacy bodies (Welch 1972, 25). In this sense, their hierarchy may be seen as 'moderate' in terms of our model.

The CCP's initial approach to Buddhism was one of co-option. As predicted by our model, state capacity was too weak in 1949 for the CCP to carry out widespread repression. While there were enthusiastic local cadres who carried out occasional, unsanctioned violence against monasteries, there was hardly any centrally-directed persecution (Welch 1972, 5), and indeed the government promoted a magazine called *Modern Buddhism* from 1950 to 1964, which aligned Buddhist doctrine with Marxist principles.

However, as the CCP built its state capacity and party membership into the 1950s, it started to confiscate monasteries and turn them into secular buildings, such as schools, barracks, and government offices. This resulted in many monks voluntarily leaving the monastic life: in the provinces of Kiangsu and Chekiang, where 55 percent of Chinese monasteries and temples were located, the monastic population declined by 90 percent in the decade after Mao's 'Liberation' (Welch 1972, 81). Nevertheless, the government's official policy was not to disrupt the practice of religion as such – the confiscation of monasteries might be seen as a form of targeted persecution, since they were the primary, visible form of Chinese Sangha hierarchy. Otherwise, public worship continued unimpeded.

This changed in the 1960s, with the Cultural Revolution (1966-1976). By then, Mao had centralized and strengthened the state through land reform, strengthening of local cadres, and collectivization (Lu et al., 2020; Strauss, 2017). In May of 1966, the CCP issued a

directive, warning of counter-revolutionary elements within the Party and cultural sectors. Party leaders wanted to eradicate the “Four Olds” (old ideas, old cultures, old customs, and old habits), which were allegedly impeding development.

To this end, Buddhism faced widespread persecution. Thousands of temples and monasteries were destroyed, monks were forcibly disrobed and sent to labour camps, and sacred sites were desecrated. Lay believers stopped practicing altogether. The persecution ended with Mao’s death in 1976.

The pattern here very much reflects the findings of our model. Han Buddhism was decentralized; the CCP was able to target some of the hierarchy, in the form of monastery confiscations, but otherwise maintained a tolerant view towards Buddhism. It was unlikely that it had developed the state capacity, in the 1950s, to be able to instigate a mass persecution. That changed in the 1960s, when the central state was consolidated under Mao. This allowed for widespread persecution to manifest during the Cultural Revolution.

That being said, certain aspects of China’s persecution are difficult to disentangle; for example, it is unclear whether monasteries were initially confiscated because the CCP wished to persecute religion, or because this was a part of their broader land reform policy; monasteries were treated as part of feudal and bourgeois property, which was distributed to the people (Wang 2020, 40-84). It is also difficult to determine how much of the persecution of Han Buddhism was directed by the state, and how much was influenced by local cadres, acting independently. Furthermore, the Sangha in China was itself decentralized; the Sangha, for whatever reason, lacked the resources to centralize in the way that Mongolia did. For these reasons, this case study is not as clean as the Mongolian one.

A.3. Cambodia. In 1975, the Communist Party of Kampuchea (CPK) won the Cambodian Civil War, taking over Cambodia’s capital city. Inspired by Maoist philosophy, the CPK’s leader Pol Pot set to work dismantling the edifices of the state, and refashioning Cambodia to become a peasant society. The CPK (Khmer Rouge) abolished money, trade, and private property; Cambodia became autarkic, only trading in a limited manner with neighbours like China.

Cambodia's state was weak, although it inherited a few advantages from its French colonial history. The French, who ruled from 1863 to 1953, centralized administrative and judicial responsibilities in Phnom Penh, the capital city (Chandler 2008, 167-179). The country's absolute, hereditary king was replaced by a constitutional, elective monarchy. However, tax collection was sporadic (Leonhardt, 2013) and the government was unable to successfully control political violence – as evidenced by multiple insurgencies prior to Khmer Rouge control.

Although it inherited a weak state in 1975, the Khmer Rouge attempted to implement its revolutionary ideology by bringing about “Year Zero,” the idea that society must start from scratch, eliminating all prior traditions and pre-conceived notions. Hoping to establish a classless, agrarian society, the regime purged everyone it deemed to be a threat: intellectuals, urban professionals, former government officials, and internal party dissidents. The result was a chaotic mass slaughter, in which 1.5 to 2 million people were killed – amounting to ~25 percent of Cambodia's population (Kiernan 2003, 586-587).

The Khmer Rouge was officially atheist, but due to its nationalist ideology, had a complex relationship with Buddhism. Some of the CPK's leaders were former monks, and Pol Pot himself was educated at a monastery; Buddhist ideas even influenced CPK ideology (Harris 2013, 43-63). Lay practitioners were largely left alone. To the extent that Buddhist monks died, it is difficult to parse out whether this is because they were conscripted into forced labour, like millions of non-monastics, or because the central government was deliberately persecuting Buddhism. As Ian Harris remarks in his study of the subject,

“Although it seem reasonable to assert some underlying strategy, this idea is somewhat undermined by the knowledge that when it comes to specific restrictions—be they on ordination, the feeding of monks, the celebration of annual festivals, or funerary customs—only rarely has it been possible to establish that local initiatives emanated from the center. The same applies to the treatment of pagodas, Buddha images, sacred texts, and other forms

of material culture. The chaotic nature of the [Khmer Rouge] regime largely explains the apparent lack of a central strategy.” (Harris 2013, 117)

It appears, in other words, that much of the violence was organized at the local level, if it was organized at all.

The Buddhist religion in Cambodia was very hierarchical, led by a *Sangha-rajā*, analogous to a Pope, who presided over eleven levels of organization, from central, elite monks to local administrative bodies. Indeed, there were two sects of Buddhism in Cambodia which operated in this manner: The Mahanikaya (Great Order), and Thommayut denominations. As soon as the Khmer Rouge attained power, it eliminated the senior ecclesiastics (Harris 2013, 124-127); this is an outcome that our game theoretic framework predicts. That is, a weak state can target senior leadership for persecution, but may be ineffective at broader repression.

There is little evidence that the Khmer regime was able to systematically carry out broader repression of Buddhism. While it is true that many monks disrobed and became laypeople during the Pol Pot years – largely to avoid starvation – there is little evidence that they were targeted for being Buddhist. As Harris continues.

“[E]x-monks suffered death from famine, overwork, absence of adequate health care, migration to hostile epidemiological environments, and all of the other basic indignities associated with the Pol Pot period. Violent death through war or deliberate execution during 1975-1979 is known to have had a disproportionate impact on adult males, and it had a significant impact on ex-monks who eventually perished.” (Harris 2013, 117)¹⁸

In 1979, Vietnam invaded and occupied Cambodia, thus ending the Khmer Rouge’s rule over the country. Pol Pot, who had fragmented the country and tried to turn it back towards a purely peasant economy, was unable to hold onto power.

¹⁸Harris further notes that although the People’s Republic of Kampuchea (PRK) estimated that over 25,000 Buddhist monks died during the Khmer Rouge massacres, such calculations took place in “a strongly ideological environment, and, even when made in good faith, may not always have followed entirely coherent methodologies” (Harris 2013, 128).

Cambodia presents a strange case, since the Khmer Rouge regime was ideologically extreme, and was willing to eliminate large swathes of the population in order to bring about a peasant utopia. The regime could not undertake an organized, widespread repression of Buddhism, and to the extent that Buddhists died, it is more than likely because they were caught up in a broader wave of violence and famine. Therefore, although Cambodia fits aspects of our framework, the endogeneity of its conditions and the difficulty of parsing out data make it an undesirable case study.