Research on economic development and the risk of armed conflict

Excerpts from David Cortright, Conor Seyle and Kristen Wall, *Governance for Peace: How Inclusive, Participatory and Accountable Institutions Promote Peace and Prosperity* (Cambridge University Press, 2017), pp. 180-186.

Many studies show deep connections between economic development and peace. Almost every empirical study in the economic literature observes a direct correlation between low per capita income and the likelihood of armed conflict.[1] The link between income and conflict risk has been described as "one of the most robust empirical relationships in the economic literature."[2] This finding holds constant across a wide range of countries and diverse social settings in studies conducted by hundreds of scholars. Regardless of the indicators used to measure development levels, the results are "almost entirely consistent in direction—growth, prosperity and development reduce the risk of civil war."[3] Countries scoring low on measurements of per capita income and economic development are significantly more likely to experience armed violence.[4]

Paul Collier and his colleagues at the World Bank and Oxford University trace the root causes of armed conflict to failures of development.[5] Their studies show that civil conflict is heavily concentrated in the poorest countries. A 2006 Brookings Institution report confirmed these findings. The data "demonstrates compellingly that countries with low income per capita are at increased risk of civil conflict." Irrespective of all other variables and indicators, "poverty as measured by low national income per capita bears a strong and statistically significant relationship to increased risk of civil conflict."[6]

The link between poverty and conflict risk is real, but this does not mean that poverty causes war. Studies that document a relationship between the two are careful to emphasize that no direct causal link exists between poverty and armed violence.

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[1] Edward Miguel, "Economic Shocks, Weather and Civil War," *The National Bureau of Economic Research, NBER Reporter 2011* Number 3: Research Summary.
[2] Edward Miguel, "Economic Shocks, Weather and Civil War," *The National Bureau of Economic Research, NBER Reporter 2011* Number 3: Research Summary, 1.
[3] Jeffrey Dixon, "What Causes Civil Wars? Integrating Quantitative Research Findings," *International Studies Review* 11 (2009), 714.
[4] Barbara F. Walter, "Conflict Relapse and the Sustainability of Post-conflict Peace," World Development Report 2011 Background Paper (September 2010), 5, 15.
[5] Paul Collier et al, *Breaking the Conflict Trap: Civil War and Development Policy* (Washington, DC: World Bank and Oxford University Press, 2003).
[6] Susan E. Rice, Corinne Graff and Janet Lewis, "Poverty and Civil War: What Policymakers Need to Know," Global Economy and Development Working Paper, Washington, DC: The Brookings Institution, December 2006, 5-6.

It is not poverty per se but a general lack of economic development and horizontal inequalities that seem to be most strongly associated with armed conflict and violent extremism. Poverty and a lack of opportunity are likely to be most disruptive when communities experience a decline in social and economic status, when they perceive a discrepancy between what they have and what they expect or feel they deserve. This is Ted Gurr's theory of relative deprivation. Social groups are most susceptible to being mobilized for armed rebellion when they perceive that an established regime is unjustly depriving them of benefits enjoyed by other groups, when they feel disadvantaged relative to the resources and status of others.[7]

Economic inequality is a risk factor for war, but again the relationship is complex and the empirical results depend on the form of inequality being examined. It is not inequality between individuals but between social groups that generates conflict-inducing grievances. As Frances Stewart and her colleagues at Oxford show, conflicts arise more often from horizontal inequalities between groups than between vertical inequality between individuals.[8]

Data on shares of personal income accruing to differing groups within society indicate that horizontal income inequality is directly related to the level of political violence.[9] A high level of income inequality significantly raises the probability that dissident groups will engage in violent action. Many studies have found that equitable economic growth enhances the prospects for peace.

Inequalities among different social groups can affect conflict dynamics within states or across borders when common ethnic communities span national boundaries. If inequality is coupled with identity-based polarization and competition for resources, the potential for conflict-supporting attitudes of anger and prejudice increases.[10] Research on inequalities between regions within a state also shows a strong relationship between social inequality and indicators of armed violence. As interregional inequality increases, the likelihood of armed conflict grows.[11]

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[7] Ted Robert Gurr, *Why Men Rebel* (Princeton: Princeton University Press, 1970). A similar case is advanced in Amy Chua, *World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability* (New York: Random House, 2003).
[8] Frances Stewart, ed. *Horizontal Inequalities and Conflict: Understanding Group Violence in Multiethnic Societies* (Hampshire: Palgrave Macmillan, 2008).
[9] Edward N. Muller and Mitchell A. Seligson, "Inequality and Insurgency," *The American Political Science Review* 81, No. 2 (June, 1987), 442.
[10] Peter Grant and Rupert Brown, "From Ethnocentrism to Collective Protest: Responses to Relative Deprivation and Threats to Social Identity," *Social Psychology Quarterly*, 58, No.3 (1995), 195-211; D. Conor Seyle and Matthew Newman, "A house divided? The psychology of red and blue America," *American Psychologist*, 61, No. 6 (2006), 571.
[11] Lindsay Heger and Melissa Ziegler Rogers, "Bringing Regions Back In: Territorial Inequality and Civil Conflict," Paper prepared for the 2013 PSS-ISA Joint International Conference, Budapest, Hungary, 12.

Horizontal inequality is often determined by government policies and spending priorities. It is a function of governance. It results from decisions and structures that determine access to economic opportunity and the distribution of available resources. States that significantly favor one group over another increase the risk that deprived groups will experience conflict-inducing grievances. By contrast, states with inclusive and representative governance systems are more likely to distribute resources in an equitable manner to major social and geographic communities, thereby reducing the risk of armed conflict.