

ESSAY

“The strengths and weaknesses of economic theories of ethnic conflict”

Tatyana Pospelova, Ukraine

The economic theories of ethnic conflict presents an economic perspective on the causes of civil war, based on empirical patterns globally over the period 1965-99. Following this theory, the risk of civil war systematically relate to a few economic conditions, such as dependence upon primary commodity exports and low national income. Conversely, objective measures of social grievance, such as inequality, a lack of democracy, and ethnic and religious divisions, have no systematic effect on risk. Paul Collier argues that this is because civil wars occur where rebel organizations are financially viable.

As for me, these theories have some strengths and weaknesses. I first want to suggest about strengths of these theories.

1. *These theories have the statistical evidence.* The authors of these theories have analyzed the pattern of conflict using a large new data base on civil wars during the period 1965-99.
2. *These theories give clear indicators of conflict situation* such as:
 - The most important indicator is that countries which have a *substantial share of their income (GDP) coming from the export of primary commodities* are radically more at risk of conflict. The most dangerous level of primary commodity dependence is 26% of GDP. At this level the otherwise ordinary country has a risk of conflict of 23%. By contrast, if it had no primary commodity exports (but was otherwise the same) its risk would fall to only one half of one percent. Thus, without primary commodity exports, ordinary countries are pretty safe from internal conflict, while when such exports are substantial the society is highly dangerous.
 - *Economic decline.* Conflict is also more likely in countries in economic decline. Each percentage point off the growth rate of per capita income raises the risk of conflict by around one percentage point.
 - *Geography matter.* Geography matters because if the population is highly geographically dispersed, then the country is harder for the government to control than if everyone lives in the same small area. Geographic dispersion ordinary country has a risk of conflict of around 50% whereas with concentration its risk falls to around 3%.

- *History matter.* If a country has recently had a civil war its risk of further war is much higher. Immediately after the end of hostilities there is a 40% chance of further conflict. This risk then falls at around one percentage point for each year of peace.
- *The size of the Diaspora.* If the country has an unusually large American Diaspora its chances of conflict are 36%. If it has an unusually small Diaspora its chances of conflict are only 6%. So, Diasporas appear to make life for those left behind much more dangerous in post-conflict situations.
- *Economic opportunities.* Conflict is concentrated in countries with little education. The average country in the sample had only 45% of its young males in secondary education. A country which has ten percentage points more of its youths in schools- say 55% instead of 45% - cuts its risk of conflict from 14% to around 10%.
- *Fast population growth.* Conflict is more likely in countries with fast population growth: each percentage point on the rate of population growth raises the risk of conflict by around 2.5 percentage points.
- *The ethnic and religious composition of the country matters.* If there is one dominant ethnic group which constitutes between 45% and 90% of the population, - enough to give it control, but not enough to make discrimination against a minority pointless – the risk of conflict doubles. While ethnic dominance is a problem, ethnic and religious diversity does not make a society more dangerous – in fact, it makes it safer. A country which is ethnically and religiously homogenous is surprisingly dangerous – the risk is 23%. By comparison, a country with ethnic and religious diversity equal to the maximum has a risk of only around 3%. Other than in the fairly unusual case of dominance, diversity makes a society much safer.

3. *These theories give effective policy of conflict prevention* because they analyzed statistics and have clear indicators of conflict situation.

4. *These theories give effective policy solutions of conflict situations.* Different diagnoses lead to radically different policy solutions.

The strengths of which were enumerated do not deprive economic theories of conflicts one, but the most important weakness. They do not distinguish between causes and indicators of conflict situation. According these theories, the export of primary commodities, the economic decline, geography and history matter, the size of the Diaspora, the economic opportunities, the fast population growth and the ethnic and religious composition of the country are the causes of

the conflict situation. As for me, there are indicators. The real cause of conflict situation which grow to the civil war is low level of society development. According the Table 1 “Outbreaks of War”, there is no any postindustrial country. Hence, unequal societies and a lack of democratic rights, which economic theories of conflicts consider unimportant as a risk of conflict, as for me, very important as main characteristics of develop postindustrial society.

Why its clarification is so important? Because, policy of conflict prevention in the societies with low level of development will be harder realized or becomes impossible. Authors of economic theories of conflicts underline: “If governments and the international community can defuse the risk from its primary commodity exports, generate rapid growth, and provide credible guarantees to minorities, then the risk of conflict can be radically reduced. Conflict prevention can be achieved through large effort on a few risk factors”. I have doubts that in low-level developing society would be governments which can do it. Well-known utterance says: “Every society deserves its government”. For example, Ukraine is not at the lowest level of development in the world, but its government can not generate for rapid growth.