

25. Inequality and political conflict

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This contribution summarizes the literature on how inequality relates to political conflict. It reviews the most central theoretical arguments and empirical findings concerning this relationship. Most importantly, there is a growing consensus that whereas inequality between individuals (vertical inequality) does not affect the risk of conflict, systematic inequality between identity groups (horizontal inequality) indeed does. Further, the article discusses various approaches to measuring horizontal inequality. It ends by discussing some avenues for policy and future research.

Introduction

At least since Aristotle, political theorists have proposed that political discontent and its consequences – protest, instability and violence – depend not only on the absolute level of economic wealth, but also on its distribution, or in other words the inequality between the rich and poor.

While the number of armed conflicts worldwide has decreased steadily since the Cold War, in 2014 the Uppsala Conflict Data Program (UCDP) recorded forty armed conflicts with a minimum of twenty-five battle-related deaths each (Themnér and Wallensteen, 2014), the highest number of conflicts reported since 1999.

Whether or not income inequality in the world has increased is subject to debate. If we weight countries by their population size, inequality between states is decreasing, mostly owing to economic growth in large countries such as China and India. But at the same time many countries are experiencing rising internal inequality: this is true for large states such as China and India, but also for smaller African states.

Does inequality breed political conflict? For almost half a century, scholars have sought to test this assumption, but the empirical literature remains inconclusive. However, there is increasing evidence that suggests that group-based inequalities are particularly linked to conflict. Here, I review central theoretical arguments and empirical findings concerning the relationships between various forms of economic inequality and violent political conflict. I conclude by discussing some avenues for policy and future research.

The inequality–conflict nexus: arguments and empirical evidence

Different theoretical approaches to inequality and conflict include the Marxist theory of class struggle and revolution, relative deprivation theory, and theories of ethnic conflict and structural inequality. These theories share the interpretation of conflict as a result of widely felt grievances among the relatively disadvantaged in society.

Advocates of the mobilization opportunity approach criticize the explanation of collective violence and protest offered by the theory of relative deprivation. They reject grievances hypotheses, because inequality and discontent are more or less always present in all societies. They argue that we should focus on the roles of financial and political opportunities to mobilize a rebel organization.

In theory, there are five possible relationships between economic inequality and political conflict: positive, negative, convex (inverted U-shaped), concave (U-shaped) or null. Reviewing the empirical literature, we find examples of all five (Lichbach, 1989). However, the more recent empirical conflict literature, with Collier and Hoeffler (2004) at the forefront, has largely dismissed grievances as causes of conflict, finding no cross-national relationship between inequality and the onset of conflict.

Horizontal inequality and conflict: findings and measurement

The weak empirical evidence for the inequality–conflict link may stem from the use of individual-level measures of inequality, such as the Gini coefficient.

In contrast to the statistical rejection of the link between inequality and conflict, a case-based literature has emerged, spearheaded by the Oxford-based development economist Frances Stewart. Stewart focuses on the role of horizontal inequalities, systematic economic and political inequalities between ethnic, religious or regional groups, arguing that such group-based inequality is more likely to trigger conflict than vertical or individual-based inequalities (Stewart, 2008). According to this argument, it is not only resentment on the part of relatively deprived groups that causes political instability. Privileged groups may also attack the less privileged, fearing that they might demand more resources, or might try to break away.

Most research on the relation between horizontal inequality and conflict has relied on qualitative case studies (e.g. Stewart, 2008). The picture that emerges from these studies is mainly that horizontal inequalities are associated with increased risks of political violence.

However, there have been few efforts to study the conflict potential of horizontal inequalities systematically and quantitatively. Until recently, most researchers exploring the consequences of intergroup inequalities have relied on Ted Gurr's Minorities at Risk (MAR) dataset (see www.cidcm.umd.edu/mar), which provides indicators of group-based disparities. However, the various indicators of relative group grievances provided by MAR are quite crude, and are largely based on statements and actions by group leaders and members, which produce fairly subjective evaluations of group deprivation.

More recently, some conflict studies have sought to measure horizontal inequality on the basis of data from national household surveys, such as the demographic and health surveys (DHS) (e.g. Østby, 2008). These studies largely support the validity of the positive relationship between conflict and various forms of horizontal inequality. Further, Cederman and colleagues (2011) reported support for the horizontal inequality–conflict nexus. They provided the first global dataset on economic horizontal inequality,

combining their own data on ethnic groups' settlement areas (Min, Cederman and Wimmer, 2008) with Nordhaus and colleagues' (2006) G-Econ dataset (Geographically based Economic data) on local economic activity. The latter covers the gross cell product for all regions for 1990, 1995, 2000 and 2005, and includes 27,500 terrestrial observations (see <http://gecon.yale.edu>). In order to proxy horizontal inequality, they use these sources to calculate wealth estimates for each ethnic settlement group, and compare them with the average wealth of all groups in a country. In line with their expectations, they find that groups with wealth levels far below the country average are more likely to experience an outbreak of civil war, measured by whether a group has links to a rebel organization actively involved in fighting. Although this research offers an interesting empirical contribution to the horizontal inequality–conflict debate, a potential warning about Cederman and colleagues' analysis is that the G-Econ data have certain limitations, such as low-quality data in many developing states.

Given that there is no one perfect way to measure horizontal inequality, Cederman, Weidmann and Bormann (2015) introduced a new composite indicator that explores and combines the strengths of three different sources of data on local wealth: the G-Econ data, survey data on household durables, and night lights emissions data from satellites combined with geographical data on the settlement of ethnic groups. Their combined index confirms the previous findings that horizontal inequalities do spur conflict in the case of groups that are poorer than the country average.

Conclusions

As has been demonstrated in this literature review, what seem to matter for conflict are horizontal inequalities – systematic economic disparities between identity groups, and not only inequality between rich and poor individuals.

A main challenge for future research in this field is to provide better data on horizontal inequalities for various group identifiers and dimensions. A point of departure can be to identify more sophisticated ways to merge different data sources, as Cederman and colleagues (2015) do. Another important future research task should be to better account for the causal mechanisms that underlie the horizontal inequality–conflict nexus.

This requires extensive theorizing and carefully selected micro-level studies, such as Hillesund's (2015) analysis of how horizontal inequalities affect support for violent and nonviolent resistance among Palestinians in the West Bank and Gaza. Furthermore, we need to better understand the relationship between objective and perceived inequalities (e.g. see Must, 2013). Finally, we need to better understand whether and how various dimensions of horizontal inequality lead to different forms of conflict. For instance, Buhaug and colleagues (2014, p. 419) found that horizontal economic inequality is primarily associated with separatist attempts, while widespread ethno-political discrimination seems to motivate attempts to target central governmental power. On a related note, while most studies of inequality and conflict have tended to focus on civil conflict, we need to get a better understanding of whether and how horizontal inequalities influence other forms of political violence, such as urban violence (see Østby, 2015).

Where horizontal inequalities are found to be severe, policies are needed to correct them. In our increasingly pluralistic societies, development policies should seek to reduce horizontal inequalities in all countries, not only those currently in conflict. Such policies should include both the elimination of discrimination and affirmative action, providing a positive bias in favour of relatively deprived groups. However, policies developed to correct horizontal economic inequality can be tricky, and in the worst case can provoke rather than lessen or avoid conflict (see Stewart, 2008).

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