

Civil Conflict

We will focus on civil conflict because this is much more common than interstate conflict and has been better studied by economists.

During the Cold War –

Civil conflict reflected a bipolar world.

US and Soviet Union generally financed opposing sides.

Conflict was infused with capitalism vs. communism rhetoric and ideology.

Interstate conflict was still fairly common.

After the Cold War –

The number of civil wars decreased but remained high

The number of intercountry conflicts dropped sharply

Remaining conflicts became more intense

Let's look at a few pictures from the Uppsala dataset on conflicts:

Figure 4: Number of Armed Conflicts, All Levels, by Type, 1946-99

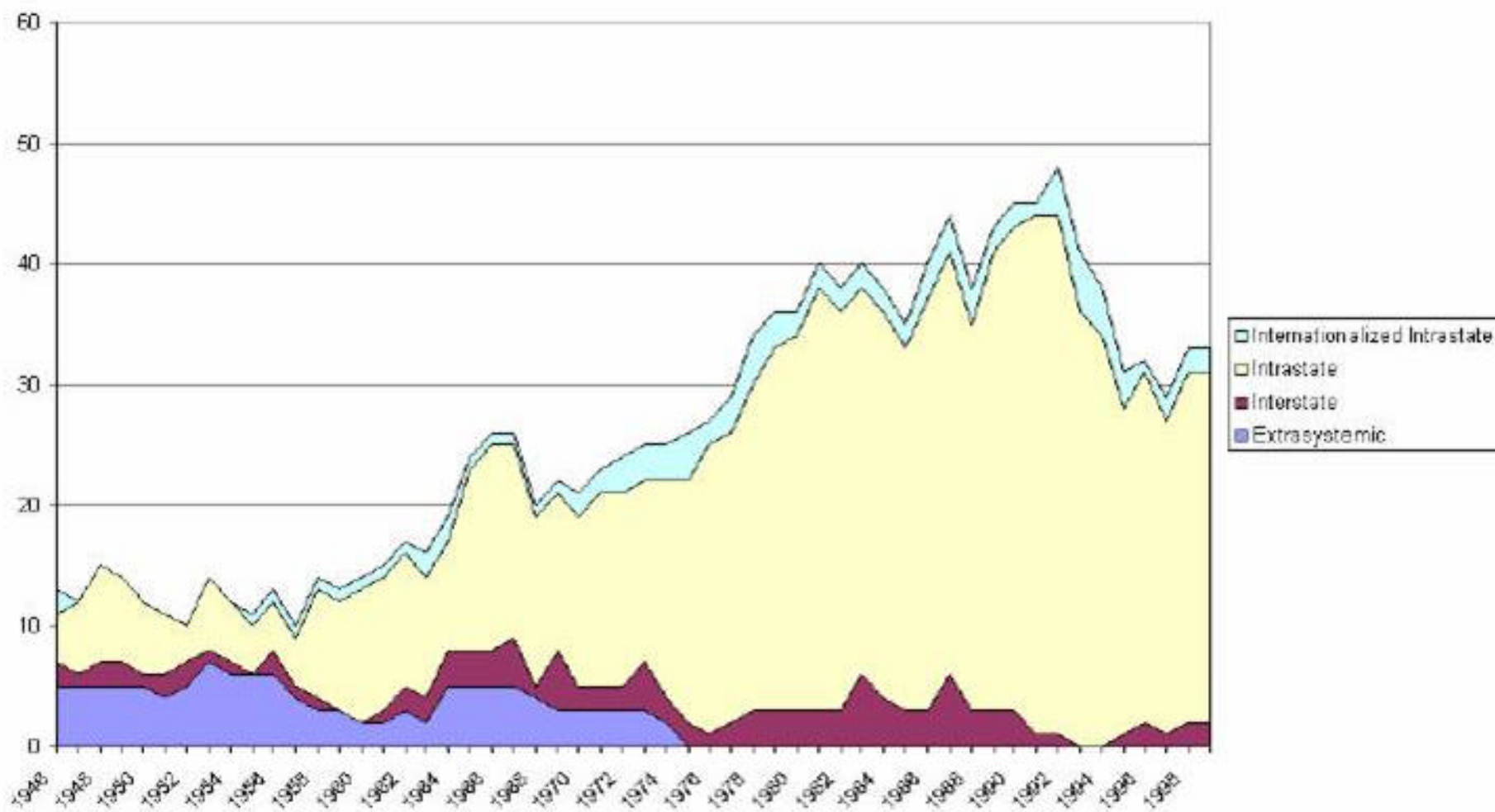
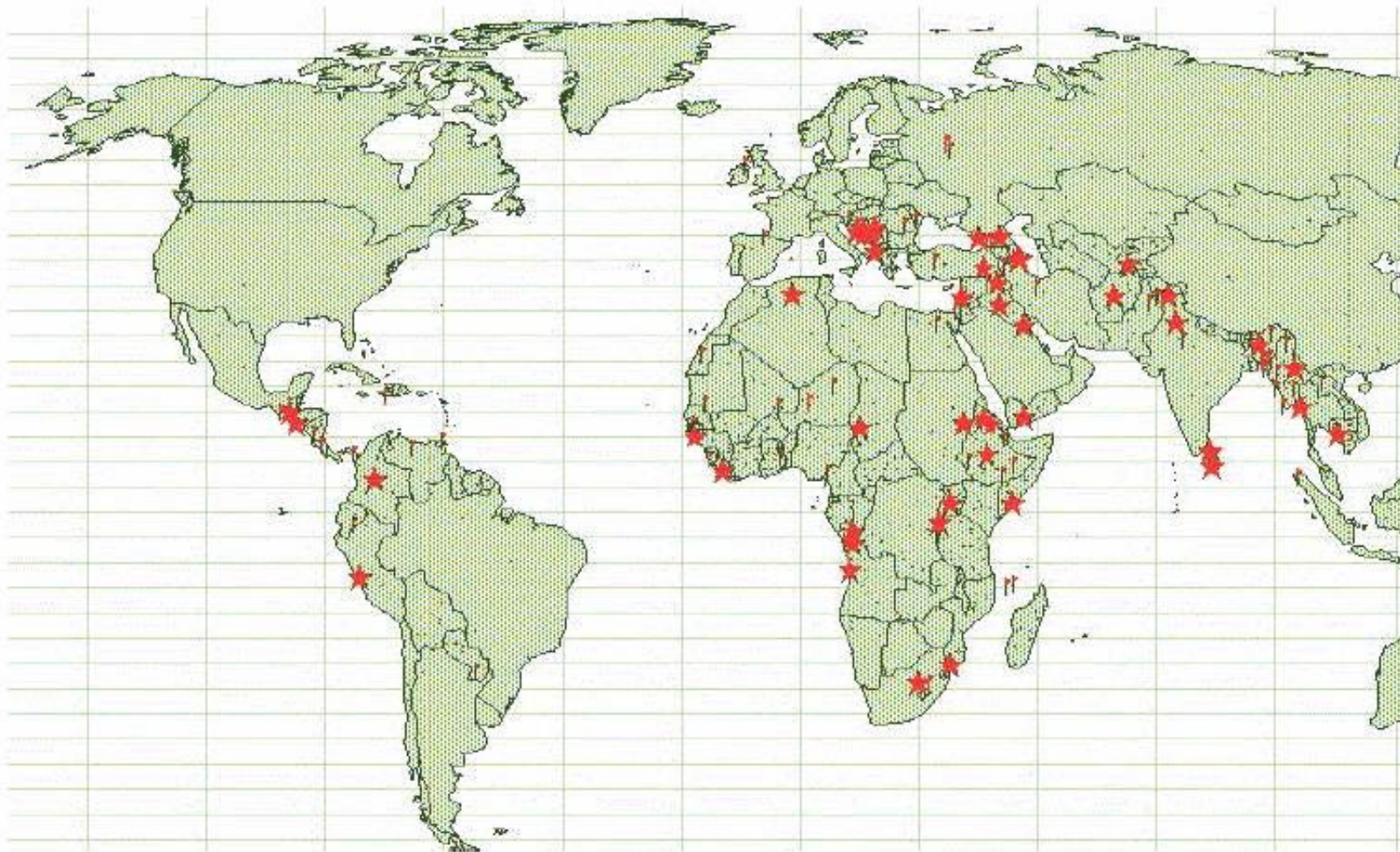


Figure 9. Armed Conflicts by Location, 1989-97



Modified from de Soysa & Gleditsch (1999, Figure 2, Appendix). This source builds on the Uppsala data published in the 1998 update.

Characteristics of civil conflicts

- Variety: sometimes they are purely internal matters; sometimes various outside parties are involved; sometimes there is sustained, heavy and widespread fighting; sometimes they are low intensity guerrilla affairs confined to isolated areas.
- Tend to be of very long *duration*.
- They are concentrated in medium to low *income* countries and poorest regions of the world.
- Factions are usually, but not always, defined along *ethnic* and *religious* lines.
- Countries with strong democratic political *institutions* rarely suffer civil wars. Authoritarian countries are more likely to suffer internal conflicts than democracies but the most authoritarian countries tend to avoid war.
- They are often intertwined with organised criminal activities such as narco-trafficking, smuggling, kidnapping and extortion.

Effects of Civil Wars

Apart from the humanitarian consequences, civil wars have enormous effects on the economy and development of societies. Wars are seldom helpful and often crippling.

Civil wars:

- Destroy capital
- Destroy institutions
- Lead to capital flight and human capital migration
- Reduce growth for a long period of time
- Reduce civil liberties and economic freedom.
- Create internal and international migration and displacement
- Spread diseases
- Create economic dependency.

- Affect the structure of the economy biasing it towards rent-extraction and illegal activities.
- Divert government resources from social development towards defence activities.

Some empirical results on risk factors for conflict

- Poverty, low education, low growth and rapid population growth - opportunity costs matter
- A high share of primary exports in GDP
- Dispersion, high mountains and tropical conditions
- A history of conflict - grievances and unsolved underlying problems
- Ethnic and religious polarisation
- Political exclusion, authoritarianism, poor protection of minority rights
- Inequality? It is not so clear that this has an impact