



Do Working Men Rebel? Insurgency and Unemployment in Iraq and the Philippines

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Introduction

- What is the relationship between the unemployment and the level of political violence?
- Case of study:
 - Iraq and the Philippines
- The results:
 - A positive correlation unproved

Hypothesis

- „Gainfully employed young men are less likely to participate in political violence“
 - assumed positive correlation between unemployment and violence
- Data:
 - Survey data on unemployment in both countries
- Measures of insurgency:
 - 1) attacks against governments and allied forces
 - 2) violence that kills civilians

Results

- Negative correlation between unemployment and attacks against government and allied forces;
- No significant relationship between unemployment and the rate of insurgent attacks that kills civilians;
- A positive correlation between unemployment and political violence unconfirmed.

Opportunity-cost theory:

- Two logics:
 - 1) The gainfully employed men are less likely to participate in insurgent violence
 - 2) Unemployment creates grievances, generating support for political violence
- Therefore, the majority of money is spent to distract recruits in order to reduce political violence.
- The difference between the crime rates and general political violence rates

Assumptions of Opportunity-Cost Theory:

- Participation in insurgency is a full-time occupation: Individuals cannot be legitimately employed and active insurgents at the same time.
- Insurgency is a low-skill occupation so that creating jobs for the marginal unemployed reduces the pool of potential recruits.
- The supply of labor is a binding constraint on insurgent organizations.

Heart-and-minds approach

- Contrast to the opportunity-cost theory
- The key predictor of violence is the attitude of the population towards the government
- Mao Tse-Tung: „*People are the sea in which rebels must swim.*“
- The ability of non-combatants to withhold information from counterinsurgents is crucial.

Prediction of a negative correlation

- The main constraint on the production of violence is the extent to which non-combatants share information about insurgents with the governments.
- Security efforts reduce violence but also increase unemployment by impeding the movement of goods and services.

Data

- Districts in Iraq and provinces in the Philippines
- **Dependent variable** – intensity of insurgent activity measured as the rate of attacks per capita against government forces and their allies
- **Independent variable** – the unemployment rate in Iraqi district/quarter or the Philippine province/year

Inter-findings

1. The insurgency in Iraq is more intense than that in the Philippines.
2. Provinces in the Philippines are larger than districts in Iraq.

Limitations of the research:

1) Ethnic control:

- the Sunni vote-share in the December 2005 election (Iraq);
- the Muslim population share (the Philippines)

3) Region fixed-effects:

- control invariant region-specific factors including ethnicity measures

2) Time limitation:

- year fixed-effects, control for secular trends affecting the entire country

3) Regional limitation:

- Baghdad
- Provinces with more than 5% Muslim population

Key findings

Unemployment predicts less violence.

→ *Do policies increasing employment cause violence?*

- The negative correlation between unemployment and violence has been stronger in Iraq than in the Philippines.
- High unemployment is associated with a difficult operating environment for insurgents because
 - 1) unemployment is a side-effect of effective security pressure or
 - 2) the prices of information about insurgency is lower in a depressed economy

Iraqi case:

- Ruling out the „Surge“ and „Anbar Awakening“ → other factors possible
- The restless situation in 2007; the violence in Sunni areas between 2006 and 2007 → governmental actions

- Reduction of the violence
X
- Increation of the unemployment

Summary:

- As local economic conditions deteriorate, government forces and their allies are able to buy more intelligence on insurgents and
- Efforts to enhance security damage the economy
- If there is an opportunity-cost effect, it is not dominant in either case.

Why is this important?

- How to design economic aid programs in efforts to rebuild social and political order?
- The negative correlation of unemployment with violence indicates that aid and development efforts that seek to enhance political stability through short-term job creation might be misleading.
- Instead, it could be directed at improving the quality of local government services which makes non-combatants to be more willing to share information with

Critique

- No explanation of the choice of these two countries
- A different period observed
 - + different data sources
- A different way of analysis (population density in Iraq X Muslim population in the Philippines)
- More focused on Iraq (the results support the thoughts...)



Thank you for your
attention