



Economic Development, Inequality, War and State Violence

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Introduction I

- ▶ **Aim:** how various factors within the political economy lead to humanitarian emergencies characterized by war, state violence, and refugee displacement
- ▶ **Areas of interest:**
 - ▶ Stagnation and decline in incomes
 - ▶ Income inequality
 - ▶ Competition for natural resources
 - ▶ Other factors
 - ▶ Ethnicity

Introduction II

▶ **Concepts:**

- ▶ Economic stagnation
- ▶ Political decay
- ▶ Deadly political violence

Economic and political factors => WAR => adverse effect on economic growth and political development

Introduction III

▶ **Economic factors**

- ▶ Stagnation and decline in real GDP
- ▶ High income inequality
- ▶ High ratio of military expenditures to national income
- ▶ Tradition of violent conflict

▶ **Political factors**

- ▶ Predatory rule
- ▶ Authoritarianism
- ▶ State decay and collapse

Stagnation and decline in incomes I

- ▶ Low and middle-income countries
 - ▶ Weak or failing
- ▶ Stagnation in real GDP (+trade deficit and growing external debt)
- ▶ Breakdown in law and public services
- ▶ Inequality
 - ▶ Vertical (class)
 - ▶ Horizontal (regional or communal)

Stagnation and decline in incomes II

relative deprivation =>

social discontent =>

motivation for collective violence

▶ WAR AND VIOLENCE

=>social disruption

=>political instability

=>undermining economic activity

=>spreading hunger and disease

=>fuelling refugee flows

Stagnation and decline in incomes III

- ▶ Only a portion of violence results from insurgent action
- ▶ Policies of governing elites are at the root of most humanitarian emergencies
 - ▶ E. g. direct violence or withholding food
- ▶ Case study: Africa
 - ▶ Negative per capita growth in the 1970s and 1980s
 - ▶ Virtual stagnation in the 1990s

=>intrastate political conflict and humanitarian emergencies

=>highest death rates from wars

Income inequality

- ▶ Policies of predatory and authoritarian rules
- ▶ Severe social tensions may even arise under conditions of positive growth
- ▶ Influence:
 - ▶ Historical legacies of discrimination (colonialism)
 - ▶ Distributing land and other assets
 - ▶ Taxation
 - ▶ Benefits of public expenditure
 - ▶ Regional and ethnic economic competition (education and employment differentials)

Competition for natural resources

- ▶ Possession of primary commodities (especially exports – agricultural, mineral) increases the occurrence and duration of civil war
- ▶ The higher the per capita availability...of mineral wealth, the greater the incidence of conflict
- ▶ Rulers and warlords use exclusive contracts with foreign firms for diamonds and other minerals to regularize sources of revenue
- ▶ In weak or failed state =>warlords and traders more likely to profit from violence and war

Other factors

- ▶ Military centrality
- ▶ A strong military can overthrow either a democratic or authoritarian regime =>political instability, humanitarian crises
- ▶ Powerful armed forces = constant threat to civilian regimes
- ▶ Regimes afraid to cut back military spending
- ▶ **Conflict tradition is an indicator of the legitimacy of political violence!**

Strengthen military to save off threats from the opposition =>heavy socioeconomic risks on the population =>further discontent => risk of rebellion

Ethnicity

- ▶ Ethnicity is artificial
- ▶ In many instances, ethnic antagonism emerges during a conflict rather than being the cause of the conflict!
- ▶ Ethnic grievance is actively manufactured by the rebel organizations as a necessary way of motivating its forces

=>where conflicts occur in ethnically diverse societies, they will look and sound as though they were caused by ethnic hatreds

=>the parties to the conflict have used the discourse of group hatred to build fighting organizations

Conclusion I

- ▶ Third World states, together with the international community, must strengthen and restructure the political economy of poor and weak states
- ▶ Economic and political changes needed:
 - ▶ Development of a legal system
 - ▶ Enhanced financial institutions
 - ▶ Increased taxing capacity
 - ▶ Greater investment in basic education and other forms of social capital
 - ▶ Well-functioning resource and exchange markets
 - ▶ Programs to target weaker segments of the population
 - ▶ Democratic institutions

Conclusion II

- ▶ Industrialized countries and international agencies bear substantial responsibility for modifying the international economic order
- ▶ What can they do to help?
 - ▶ Shift in the goals and openness of IMF and WB
 - ▶ Restructuring of the international economic system for trade and capital flows
 - ▶ Opening of rich countries' markets
 - ▶ More technological transfer by foreign companies
 - ▶ Bilateral donors and international agencies
 - ▶ Greater coherence of aid programs
 - ▶ Increased international funding to food crises

Critical reflection

- ▶ Overall understandable, a lot of known and logical information
- ▶ A recommendation in the conclusion
- ▶ Many case studies

- ▶ All the main points mentioned in the conclusion
- ▶ Methodology not so clear (research based on 13 case studies 1980-2000 x different authors)