

Program for ENCoRe workshop on

Inequality and Conflict

ETH Zürich
LEE Building, Room E 101, Leonhardstrasse 21

Thursday April 16, 2015

12:30 Lunch

13:30 Welcome (Lars-Erik Cederman)

Part I: Measuring and Conceptualizing Inequality

14:00 Keynote: Inequality Trends and the Politics of Redistribution in Rich Countries (Jonas Pontusson)

14:45 Coffee

15:00 Geography, Capacity, and Inequality (Pablo Beramendi; Discussant: Stefanie Walter)

16:00 Dynamics of Horizontal Inequality [working title] (Nils-Christian Bormann, Yannick Pengl and Nils Weidmann; Discussant: Kristian Gleditsch)

17:00 End of sessions

19:00 Excursion on Lake of Zürich including apéro and dinner

Friday April 17, 2015

Part II: Economic Inequality and Conflict

9:30 Keynote: "Inequality, Conflict and Political Institutions" (Carles Boix)

10:15 Coffee

10:30 Power-sharing Among Unequals? Why Economic Disparities Undermine Democratization in Divided Societies (Daniel Bochsler; Discussant: Silja Häusermann)

11:30 Injustice Is in the Eye of the Beholder: Horizontal Inequalities and Communal Conflict in Africa (Elise Must; Discussant: Livia Schubiger)

12:30 Lunch

Part III: Political Inequality and Conflict

14:00 Keynote: The Agrarian Legacies of Civil War (Elisabeth Wood)

14:45 Coffee

15:00 Democracy and Ethnic Dominance (Manuel Vogt; Discussant: Carles Boix)

16:00 End of sessions

19:00 Dinner, Restaurant Frieden

Saturday April 18, 2015

Part III: Continued

9:00 Dispersive Institutions, Regional Autonomy and Conflict among Ethnic Groups (Simon Hug; Discussant: Kristin Bakke)

10:00 Explaining the Decline of Ethnic Conflict: Was Gurr Right and For the Right Reasons? (Kristian Gleditsch and Julian Wucherpfennig; Discussant: Halvard Buhaug)

11:00 Coffee

11:15 Final Discussion: What Have We Learnt?

12:15 Lunch and end of conference

List of participants

External guests

Pablo Beramendi, Duke University

Carles Boix, Princeton University

Elisabeth Wood, Yale University

ENCoRe participants

Kristin Bakke, University College London

Halvard Buhaug, PRIO

Kristian Gleditsch, University of Essex

Simon Hug, University of Geneva

Elise Must, LSE and PRIO

Jonas Pontusson, University of Geneva

Nils Weidmann, University of Konstanz

Julian Wucherpfennig, University College London

Zürich participants

Daniel Bochsler, University of Zürich

Nils-Christian Bormann, ETH Zürich

Lars-Erik Cederman, ETH Zürich

Silja Häusermann, University of Zürich

Yannick Pengl, ETH Zürich

Livia Schubiger, ETH Zürich

Manuel Vogt, ETH Zürich

Stefanie Walter, University of Zürich

Abstracts in order of appearance in the program

Geography, Capacity, and Inequality

Pablo Beramendi (Duke University)

Capacity to collect taxes is crucial to functioning of the state, economic development, and redistribution. We examine differences in economic geography, whether productive factors are dispersed across the nation or spatially concentrated, and development of national tax capacity. We predict higher tax capacity with greater dispersion of economic factors, reflecting competition across sectors and relative equality in regional productivity. With regional competition and economic parity, locations and elites can share the costs and the benefits of a functional state. Greater concentration of economic factors, however, lays the burden of taxes on a limited geographic area, a small number of economic sectors, and few elites. Because taxation implies redistribution from these areas to the rest of the nation, we do not expect investment in tax capacity. We also anticipate an interactive relationship between economic geography and industrialization type. Where industrialization occurred under open markets, non-agricultural regions could compete with physical and human capital, increasing the regional parity of nations with dispersed factors, and distributing the tax burden. Where industrialization was controlled by governments, such as in Import Substitution Industrialization, we expect continuity in the effects of economic geography as the same regions are rewarded with the gains of industrialization. Concentrated factors should continue to depress incentives to tax effectively. In a large cross-national dataset of developed and developing nations, we find strong evidence that economic geography and regional inequality affect the level of tax capacity, measured as total tax collection and extraction from the income tax. This differential taxation ability is in turn a major predictor of cross-national differences in inequality among democracies.

Explaining Trends in Ethnic Inequality: Globalization and the Neopatrimonial State

Nils-Christian Bormann (ETH Zürich), Lars-Erik Cederman (ETH Zürich), Yannick Pengl (ETH Zürich), and Nils Weidmann (University of Konstanz)

Recent research efforts have revealed that socioeconomic inequality between individuals in developed countries has been increasing since the 1970s. Yet, less is known about trends in inequality between ethnic groups. This is a serious gap in the literature, because between-group or “horizontal” inequality may reinforce individual-level inequality and has been shown to cause various bad outcomes, including limited public goods provision and armed conflict. To overcome previous data limitations, we estimate ethnic inequality with the help of nightlights emissions from time-varying satellite data from 1990 through 2013. The general trend in the data appears to be toward a decrease of ethnic inequality but the pattern is not uniform across world regions. In particular, politically marginalized groups in Asia have been able reduce the difference to

wealthier groups in their respective countries. In contrast, excluded groups in Sub-Saharan Africa have become relatively *less* wealthy. To account for these differences, we study how the effect of globalization is channeled by the state, postulating that the neopatrimonial state in the latter region accelerates inequality.

Power-sharing Among Unequals? Why Economic Disparities Undermine Democratization in Divided Societies

Daniel Bochsler, Jonathan Wheatley, Miriam Hänni
(University of Zürich and ZDA)

There is a robust and widely accepted finding that democratisation requires some degree of economic equality and that highly unequal societies are less likely to consolidate democracy (Lipset 1959; Przeworski et al. 1996; Acemoglu and Robinson 2000; Boix 2011). However, this literature deals with inequalities only in economic terms and we would expect that economic inequalities become even more dangerous for democratisation when they are reinforced with an identity-based divide (also addressed as ethnic divides). If in societies in which identity-based groups enjoy similar economic status the formation of a middle classes and relatively high levels of social mobility can reduce the explosive potential of the transition process, the same is not the case in countries where economic and identity-based divides reinforce one another.

We argue that the process of democratisation is more likely to erupt into civil conflict if identity-based groups are economically unequal. Democratisation generally increases the risk of conflict (Hegre et al. 2001; Cederman et al. 2010). According to our argument, democracies with unequal identity-based groups and majoritarian institutions will be inherently unstable, and the attempt to introduce rule by the majority will therefore quickly erupt on conflict or in authoritarian backlashes. While we expect that power-sharing democracies in societies with economically ranked groups will be more stable than majoritarian systems, power-sharing institutions are difficult to establish in societies where inequality correlates with identities, because subaltern groups might find it difficult to organise and compete on equal grounds for power. As a consequence, economic disparities between the groups will fuel the risk of conflict in the process of political transition.

The dilemma of democratisation in unequal and divided societies relies on two connected arguments:

- First, the introduction of Westminster-type democracy (i.e. majoritarian electoral rules, single-party coalitions or presidential regimes, centralised administration, etc.) in divided societies if it coincides with economically unequal groups, will lead to political instability and conflict or authoritarian entrenchment. Transition towards a Westminster democracy will in these cases entail the threat of redistribution. If democratic elections in economically unequal countries lead to rule by the subaltern group, this will produce a situation of extreme inter-group

polarisation. The subaltern group would be likely to pursue a radical economic redistribution, which is likely to lead to an authoritarian entrenchment of the rule by the subaltern group (e.g. Zimbabwe), or to conflict (e.g. Burundi in 1990) or – as a very best case scenario – to populist democracy (e.g. Ecuador and Bolivia). In Westminster democracies with clientelistic rule by the economically superior group (e.g. Ecuador prior to 2006, India), stability will only be maintained so long as the subaltern group does not start mobilising. Westminster democracies ruled by economically superior groups will thus remain only so long as the subaltern group remains acquiescent and demobilised and does not make any claim for substantive power.

- Second, both for economically unequal groups and for similarly-ranked groups the most stable form of democratisation will be by means of a power-sharing agreement in heterogeneous societies. However, such an outcome is very rare in the case of economically unequal groups, with South Africa and Northern Ireland virtually the only examples of this. In the case of groups that are not economically unequal, however, a power-sharing solution is more feasible, and will lower the risk of conflict (e.g. Macedonia, Bosnia and Herzegovina).

This study contributes to the literature about ethnic conflict (Hegre et al. 2001; Cederman et al. 2010), by arguing that disparities make the process of democratisation more risky. And it aims to innovate on the literature on democratisation, which has mainly neglected the challenges of the forming a moderating or “democratic” middle class in cases in which economic and identity-based divides reinforce one another. By doing so, it extends the literature on cross-cutting cleavages (Lipset and Rokkan 1967) – here: economic vs. identity-based cleavages – on the process of democratisation.

The paper to be presented at the Zurich meeting will outline the theoretical argument, discuss empirical cases for the different types of processes of democratisation, and propose a research design for a systematic study.

References

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- Boix, Carles. 2011. "Democracy, Development, and the International System." *American Political Science Review* 105 (4):809-28.
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Przeworski, Adam, Michael Alvarez, José A. Cheibub, and Fernando Limongi. 1996. "What makes democracies endure?" *Journal of Democracy* 7 (1):39-55.

Injustice is in the eye of the beholder: Perceived Horizontal Inequalities and Communal Conflict in Africa

Elise Must (LSE and PRIO)

Recent advances in conflict studies have led to relatively robust conclusions on the association between group – or horizontal - inequality and conflict. Central to quantitative studies confirming this relationship is a stipulated causal chain where objective horizontal inequalities are translated into grievances through group comparison and a perception of injustice. Such grievances in turn form a mobilization resource. All these studies are however limited by their use of objective measures of inequality, which leaves them unable to directly test the assumed grievance mechanism. This paper argues that taking into account how inequalities are actually perceived by group members will allow for a better test. Furthermore, the use of objective measures is based on an assumption that objective equal perceived horizontal inequalities. This is however not the case, as empirical data show that the correlation between the two is very low. Perceptions may thus capture effects beyond the reach of objective figures. Using ethnic group data from the Afrobarometer Surveys from the period 1999-2009, this paper finds that perceived horizontal inequalities have a stronger association with communal conflict outbreak than objective horizontal inequalities. While objectively and perceived politically excluded groups are consistently conflict prone, economic ethnic inequality seems to have a significant and substantial effect only when the impact of both perceptions and natural resources are accounted for. This suggests that, while still relevant, structural background patterns can never fully explain what motivates mobilization for violence. Investigating peoples' subjective views, as well as how they are formed, represent an important step to increase the understanding of what causes violent conflict.

Ethnic Cleavages and the Effect of Democratization on the Emergence and Survival of Ethnic Dominance

Manuel Vogt (ETH Zürich)

This study examines the effect of democracy on the emergence and survival of ethnic dominance regimes in the contemporary world. Much of the standard academic literature expects democracy to bring about equality and ethnic inclusion. In contrast, this paper argues that the effect of democracy and democratization on the likelihood of ethnic dominance crucially depends on countries' ethnic cleavage structure. First, democracy is not an effective antidote

where large demographic majority groups exist. Second, racial minorities in countries dominated by European or European-stemming groups possess significantly fewer opportunities to demand ethnic group rights available in democratic regimes. The study tests these arguments in a global quantitative analysis from 1946 to 2009, employing Weibull regressions and Markov transitions models. Both the country and the group-level results show that democracy and democratization processes lead to the breakdown of ethnic dominance regimes. However, in line with the theoretical argument, this effect is constrained in countries with large demographic majorities and where European or European-descendant groups rule over groups that are perceived as racially distinct.

Dispersive Institutions, Regional Autonomy and Conflict among Ethnic Groups

Simon Hug (University of Geneva)

Whether granting regional autonomy to specific ethnic groups helps pacifying conflictual plural societies is hotly debated in the literature. In part this has to do with the scarce data at hand. Based on a dataset covering detailed information on the type of autonomy granted to administrative subunits and data on which ethnic groups profit from these arrangements, I assess whether such institutional arrangements have the hoped for pacifying effect. The results show that regional autonomy does not have a unequivocal pacifying effect.

Explaining the Decline of Ethnic Conflict: Was Gurr Right and For the Right Reasons?

Lars-Erik Cederman (ETH Zürich), Kristian Gleditsch (University of Essex), and Julian Wucherpfennig (University College London)

In recent years, scholars have detected a decrease of political violence, although these claims have not remained unopposed. As a contribution to this debate, the current study revisits a somewhat older controversy that traces conflict trends after the end of the Cold War. Responding to the many ominous predictions of surging ethnic warfare, Gurr (2000) presented evidence of a pacifying trend since the mid-1990s and predicted a further decline in ethnic conflict. We leverage more recent data on ethnic groups to evaluate if Gurr was right about the decline of ethnic conflict, and if he was right for the right reasons. Following his explanatory conjecture, we assess whether there has indeed been an increase in governments' accommodative policies toward ethnic groups and whether such changes drove the decline of ethnic civil war. All in all, we find strong evidence for an account of the pacifying trend that stresses the granting of group rights, regional autonomy and inclusion in power sharing, as well as general democratization and peacekeeping.