H i C N Households in Conflict Network

The Institute of Development Studies - at the University of Sussex - Falmer - Brighton - BN1 9RE
www.hicn.org

Shared Societies and Armed Conflict: Costs, Inequality and the Benefits of Peace

Patricia Justino[1]

Forthcoming in Clem McCartney and Wim Naudé (eds.), *Shared Societies and Global Development*, Club de Madrid and Oxford University Press.

HiCN Working Paper 125

October 2012

Abstract: This chapter examines how the relationship between economic exclusion, inequality, conflict and violence shape the goal of establishing shared societies. The chapter discusses how this impact is largely determined by the emergence and organisation of social and political institutions in areas of violent conflict. Two areas of institutional change are central to understanding the relationship between armed conflict and shared societies. The first is the change caused by armed conflict on social interactions and norms of trust and cooperation. The second is the influence exercised by informal mediators, informal service providers and informal systems of governance – often controlled by non-state armed actors – that emerge from processes of violence and are prevalent in areas of armed conflict. These forms of institutional transformation are central to understanding how societies may be able to restrict the use of violence as a strategic way of resolving social conflicts and how to transition from violence-ridden to shared societies.

JEL codes: D63; D74; O17

[1] Senior Fellow, Vulnerability and Poverty Reduction Team and Head, Conflict, Violence and Development Cluster, Institute of Development Studies, Brighton, UK. Director, MICROCON – A Micro-Level Analysis of Violent Conflict (www.microconflict.eu). Co-Director, Households in Conflict Network (www.hicn.org).

1. Introduction

Processes of conflict and violence are central to how shared societies are built and sustained.[2] Very few countries in the world have implemented systems of justice, equality and democracy without some amount of bloodshed. At the same time, violence and conflict threaten the principles and values underlying the concept of shared societies. Today, 1.5 billion people are affected by armed conflict. Conflict-affected countries contain one-third of those living in extreme poverty, and are responsible for over half of all child mortality in the world (World Bank 2011). Kaldor (1999) and Kaplan (2000) have famously discussed the wave of new brutal civil wars that have erupted after the Cold War. The view that modern civil wars are more brutal and senseless than ever before has been contested (Kalyvas 2001), while the incidence of internal armed conflict has decreased in recent years (Themner and Wallensteen 2011). However, the legacy of violence persists in many countries, affecting the sustainability of global development, international peace and democracy-building processes worldwide, as well as disrupting the living conditions of millions of women, men and children. Armed conflict remains one of the most important challenges facing the world today.

This chapter examines how the interplay between economic exclusion, inequality, conflict and violence shape the goal of establishing shared societies. The chapter makes the argument that this impact is largely determined by the emergence and organisation of social and political institutions in areas of violent conflict. In particular, violence will persist as a means to solve social conflicts when institutional processes that promote exclusion, dysfunctional inequalities and injustice remain entrenched in societies. Two particular areas of institutional change are central to understanding the relationship between armed conflict and shared societies. The first is the change caused by armed conflict on social interactions and norms of trust and cooperation. The second is the influence exercised by informal mediators, informal service providers and, in some cases, informal systems of governance that emerge from uneven development processes and are particularly prevalent in areas of armed conflict. These forms of institutional

[2] Shared societies are societies in which "people hold an equal capacity to participate in, and benefit from, economic, political and social opportunities regardless of race, ethnicity, religion, language, and other attributes, and where, as a consequence, relations between the groups are peaceful" (Valenti and Giovannoni 2011).

transformation that emerge from armed conflict, and in turn determine its sustainability, have remained unexplored in the literature. Yet they are central to understanding how societies are able to restrict the use of violence as a strategic way of resolving social conflicts. This chapter attempts to disentangle these important institutional mechanisms that shape the transition from conflict-ridden to shared societies.

The chapter is organised as follows. Section 2 reflects on the role that violence has played in the achievement of the goals underlying the goal of a shared society. Section 3 focuses on the importance of inequality and social exclusion in the transition from violence-ridden to shared societies. These two sections illustrate the significance of local institutions in the formation of shared societies. Section 4 discusses new emerging evidence on how institutional transformation in contexts of violent conflict may shape the relationship between armed violence and the goal of establishing a shared society. Section 5 concludes the chapter and discusses promising avenues for a future research agenda on transition processes from violence to shared societies.

2. Violence as a means to shared societies?

There are serious human, economic and political costs associated with violence and armed conflict that may threaten the establishment of shared societies: war damages infrastructure, institutions and markets, destroys assets, breaks up communities and networks and kills and disables people. Knight, Loayza and Villanueva (1996) have estimated that civil wars lead, on average, to a permanent income loss of around two percent of GDP. Collier (1999) has shown that, on average, a seven-year civil war will result in a 15 percent loss in GDP. Recent empirical evidence has suggested that some economic effects of armed conflict at the macro-level may not persist into the long-term because the temporary destruction of capital caused by fighting can be overcome in the long-term by higher investments in affected areas, bringing the overall economy to its steady growth path (Bellows and Miguel 2006; Ben-David and Papell 1995; Davis and Weinstein 2002). However, these aggregate effects may hide important structural differences between different communities and population groups affected by violence. In particular, emerging empirical research at the micro-level has shown that the educational, labour and health impacts of war at the individual and household levels may last well beyond the end of fighting

(Akbulut-Yuksel 2009; Alderman, Hoddinott and Kinsey 2006; Bundervoet, Verwimp and Akresh 2009; Shemyakina 2011).

But violent conflicts take place because there is something worth fighting for, and a number of actors have used conflict and violence as a means to try to improve their position and to take advantage of potential opportunities offered by the conflict. Although violent conflicts are perceived as a form of state and governance failure (see Zartman 1995), they nonetheless offer important opportunities for new groups to challenge incumbent political power (Cramer 2006; Keen 1998; Reno 2002). Notably, throughout history, violence has been used as a means to achieve the goal of shared societies. The lack of conditions under which all members of society can live peacefully, and share in democratic processes and prosperity, often lead to social conflicts. Under some conditions, these social conflicts will be addressed through violence. Violent means of conflict resolution will either persist across time or may under certain circumstances create the conditions to build more inclusive societies.

Following on from the pioneering work of Charles Tilly (1975, 1978, 1990), a series of recent studies has consigned violence to the heart of explanations for how modern societies have emerged (Acemoglu and Robinson 2006, 2012; Besley and Persson 2011; Boix 2003; North, Wallis and Weingast 2009). This new wave of literature places violence as central to processes of social development and advances in democracy, and discusses how and why violence goes side-by-side with low incomes, weak state capacity and social exclusion.

A common thread across these studies is that modern societies have evolved as a way of limiting the use of violence as the means to solve social conflicts. The persistence (or limitation) of violence is in turn highly dependent on the institutional set up of different societies, and how this institutional set up manages different forms of exclusion, inequality and other social differences and interests. Different institutional set-ups – and the factors that constrain or aid different interests within these institutional set-ups – determine the role of violence. In the language of North, Wallis and Weingast (2009), different orders emerge as forms of controlling violence. They do so in different ways. In open access societies (equivalent to the notion of shared societies), the indiscriminate treatment of citizens acts to prevent violence. Everyone is treated in

the same way, limiting the emergence of exclusion, grievances and their translation into violent outcomes. In limited access societies, the possibility of fruitful rent extraction also limits the use of violence by elites. But the threat of violence remains because the state has no monopoly over its use.

Institutional change is at the heart of how to move from low-income, violence-ridden societies to more inclusive societies. The body of research above resorts to history to explain how some countries have done that move successfully. Acemoglu and Robinson (2012) discuss the role of inclusive institutions in promoting virtuous cycles of innovation, economic growth and peace. Besley and Persson (2011) refer to the significance of common interests in the transition towards more inclusive development processes. North, Wallis and Weingast (2009) discuss the role of elite competition in containing violence. External events that alter the institutional balance of existing social arrangements propel transitions to shared societies, or explain the persistence of exclusionary and undemocratic systems.

While external events play a significant role in institutional transitions, violence is itself endogenous to how institutions emerge and are sustained. Violent conflict produces within itself processes that may constrain (or aid) the rise of 'good institutions'. How do these institutions look like in reality on the ground and how can we promote the development of inclusive institutions?

Limited attention has been paid to how social and political institutional organisations change and adapt during and after violent conflict, including ways in which communities manage conflict and sustain social cohesion, the forms of local governance that emerge amidst violence and what organisations are developed for the provision of public goods and security in areas of violent conflict. These changes are likely to have profound impacts on the lives of individuals and households, the organisation of communities and hence on how societies transition from violence to cohesion. Structures, norms and organisations that favour corrupt, rent-seeking and predatory behaviour will perpetuate dysfunctional economic, social and political relations and destroy the social fabric. Organisations that protect property rights, enforce norms of conduct and impose

sanctions for undesirable behaviour may create the conditions necessary to the establishment of shared societies

This chapter will focus on two under-researched areas of institutional change that are critical to understanding the relationship between armed conflict and shared societies. One concerns changes in social cohesion and norms of cooperation. Violent conflict impacts considerably on the social fabric of affected communities, on social relations between family members, neighbours and friends, on how communities relate internally and with other communities, and on the functioning of local citizen organisations and their relation with state-level institutions. The impact of these on local social organisations can be significant as it will affect the ability of people to rely on community relations in times of difficulty, to access employment or credit arrangements and to integrate into new norms and ways of living. The second is the emergence of local governance structures controlled by non-state (often armed) actors during violent conflict in areas where the state is absent, deposed or heavily contested. The actions of these actors have significant impacts on how local communities are organised, creating political, social and economic arrangements that remain entrenched well beyond the end of the conflict. Section 4 discusses new emerging evidence on how these institutional effects may shape the relationship between armed conflict and shared societies. Before that I discuss below the central role played by inequality and exclusion on the institutional transition from violence-ridden to shared societies.

3. Inequality, exclusion and the threat of armed conflict

The transition from violence-ridden to shared societies is highly dependent on how institutional frameworks manage different forms of exclusion, inequality and other social differences (Acemoglu and Robinson 2006; Boix 2003). The relationship between inclusiveness, equality, cohesion – all features of a shared society – and violent conflict is, however, rather complex. There is now a growing consensus that prosperity and democracy cannot be disassociated from the constraints caused by violence and conflict (World Bank 2011). In spite of that, we have very limited rigorous evidence on the mechanisms shaping the relationship between (types of) economic progress and violence.

On the one hand, the literature on civil wars has shown a strong association between low levels of GDP, negative economic shocks and the outbreak of armed conflict (Collier and Hoeffler 2004; Fearon and Laitin 2003; Miguel et al. 2004). On the other hand, research has long identified rapid uneven economic growth as a destabilising force that may spur civil unrest and political violence (Bates 1974; Horowitz 1985; Olson 1963; Tilly 1990). Most of this evidence comes from low-income countries where violence, poverty and low economic growth feed into vicious cycles (Collier 2007). There is now evidence of similar processes at play in middle-income countries like India, Brazil, China, Russia and other emerging economies, where significant economic, social and cultural change is taking place within a very short period of time. Crime, civil unrest and terrorism are common risks experienced in these countries. The Institute for Economics and Peace reports large reductions in the average Global Peace Index score amongst emerging economies between 2007 and 2010 (Table 1).

[Table 1 about here]

Democratic systems are generally deemed better at resolving the conflicts that may emerge as a result of rapid or uneven development processes. Social policies in particular, such as safety nets, cash transfers or employment generation programmes, may strengthen the legitimacy of the state and support excluded population groups in such contexts (see discussion in Justino 2008). There is, however, mounting evidence that vulnerable groups have been largely excluded from the benefits of rapid economic growth in many countries in the world. High rates of urbanisation have in addition resulted in the proliferation of slums and large areas where state presence is minimal.

But while forms of exclusion and inequality persist in many countries, only a handful of these countries have experienced or will experience violence and conflict. Two factors are key to understand the relationship between inequality and violence. The first is the nature of inequality processes, which will determine the point at which inequality will be seen as a sufficiently serious infringement of the social contract between states and citizens in order to break social cohesion and lead to violence. The second is the type of structures in place in society that may

allow (or not) violence as a strategy to access power and/or manage social conflict. We address the first point below, and discuss the second point in section 4.

3.1. Inequality, instability and armed conflict

Processes of economic development are typically accompanied by a certain level of inequality. Different people have different abilities and different initial endowments of physical and human capital. It is therefore extremely difficult to ensure that all population groups benefit equally from potential economic gains. Not all types of inequality are adverse. Functional inequalities, i.e. inequalities that are likely to arise in a market economy as a result of rewards to risk-taking, enterprise, skill acquisition and saving, may create important incentives for technological advance and increased productivity. However, dysfunctional inequalities,[3] i.e. inequalities that arise from lack of opportunities, social and political exclusion of certain population groups and other forms of discrimination, from a colonial legacy or from political connections and inherited wealth, are often associated with the exclusion of some population groups from the process of development and may pose constraints to the establishment of fully functioning societies. Tilly's (1998) work was one of the first theoretical efforts to systematically analyse the persistence of inequalities caused by differences between societal categories. Persistent or 'durable' inequalities between different social or political categories arise "because people who control access to value-producing resources solve pressing organisational problems by means of categorical distinctions. Inadvertently or otherwise, those people set up systems of social closure, exclusion, and control" (pp. 8).

Countries with persistently high levels of dysfunctional inequalities are less successful at establishing shared societies, and more likely to see the use of violence as a means to resolving social conflict. One important aspect of persistent inequalities is their association with increased social discontent, which under some circumstances may be associated with increases in criminal activities, violence and civil conflict. The persistence of inequalities, social exclusion and perceived social injustices over time may result in a sufficient high level of social discontent and

[3] The distinction between functional and dysfunctional inequalities is made in Killick (2002). Tilly (1998) refers to the latter as durable inequalities.

the subsequent use of violence to address social differences. Persistent inequality and forms of exclusion have been associated with increased risk of crime (Table 2).[4]

[Table 2 about here]

An extensive literature has also provided empirical evidence for a positive relationship between inequality and various forms of social and political conflict (see Gupta 1990). Although in many countries some level of inequality may coexist with social peace, not all societies will have high levels of tolerance for persistent inequalities (see Hirschman 1981). When tolerance breaks, inequality can lead to the accumulation of discontent amongst some population groups to a sufficiently high level to damage social cohesion (see Alesina and Perotti 1993; Bénabou 1996; Stewart 2002). However, no consensus has yet been established on whether poverty, inequality and social exclusion, together or separately, operate as triggers for violent conflict, nor whether these factors are responsible for the onset or escalation of violent conflicts.

3.2. When does inequality and exclusion lead to violent conflict?

There is widespread disagreement regarding the effect of social discontent (or grievances) on the outbreak of armed conflict. Cross-national empirical analyses of the causes of civil wars have found no statistical evidence for a relationship between 'grievances' and civil wars (Collier and Hoeffler 2004; Fearon and Laitin 2003). The econometric evidence described in these studies suggests that rebel groups are primarily motivated by opportunities for predating on available resources and assets (Collier and Hoeffler 2004) or conditions that facilitate insurgency, such as rough terrain (Fearon and Laitin 2003). These findings are challenged by a body of research that highlights the importance of inequality and exclusion as sources of armed conflict. Studies have shown a close association between violent conflict and income and asset inequality (Muller and Seligson 1987; Schock 1996), class divides (Paige 1975; Scott 1976), inequalities in access to power decisions (Richards 1996), horizontal inequality between ethnic, religious and other cultural groups (Langer 2004; Stewart 2000, 2002; Murshed and Gates 2005; Østby 2006), relative deprivation (Gurr 1970), levels of polarization (Esteban and Ray 1994; Montalvo and

[4] See also Fajuzylber, Lederman and Loayza (1998).

Reynal-Querol 2008; Esteban and Schneider 2008) and ethnic fragmentation (Easterly and Levine 1997).

The differences found in the studies above result largely from the dichotomisation of the debate around whether 'grievances' or 'greed' cause violent conflict. Under that perspective, inequalities tended to be associated with 'grievances', while economic motivations fall under the 'greed' headline. However, in reality, the persistence of social injustice associated with economic, political and social disparities between different population groups and with systematic social exclusion may spur a combination of grievances and greed motives that underlie most armed conflicts. Inequality and exclusion may result in the accumulation of discontent to a sufficiently high level to break social cohesion (Horowitz 1985; Muller and Seligson 1987; Schock 1996). At the same time, they may also increase the probability of some population groups engaging in rent-seeking or predatory activities (Benhabib and Rustichini 1991; Fay 1993; Fajnzylber, Lederman and Loayza 1998; Grossman 1991, 1999). Social discontent and frustration with living conditions can act as strong motivators for conflict *and* for the participation of individuals into organised forms of violent conflict.

Another body of literature has found a strong albeit indirect association between policies that address forms of inequality and exclusion and the prevention and reduction of violent conflict. For instance, Justino (2008), using state-level empirical evidence for India, shows that redistributive transfers are effective means to reduce civil unrest. Deininger (2003), using household-level data for Uganda during the 1992-2000 period, shows that higher levels of education decrease individuals' propensity to engage in civil strife. Even Collier and Hoeffler (2004) argue that prioritising investment in education and health may signal government's commitment to peace by keeping the population contented. Increases in equal opportunities in the access of excluded groups to education may decrease social tensions. This logic underlies US's affirmative action policies in the education sector (see Bush and Saltarelli 2000), while some evidence seems to suggest that higher school enrolment rates increase the opportunity costs of recruiting militants by rebel groups (see, for instance, Thyne 2005). Cragin and Chalk (2003) provide evidence for the effects of job creation in decreasing potential recruits for the IRA.

Finally, research on individual and group motivations for collective violent mobilisation also provides evidence on the links between social discontent and violent conflict. A number of actors have made use of armed conflict as a way of improving their position and to take advantage of potential opportunities offered by conflict (Dube and Vargas 2007; Keen 1998, 2005; Hirshleifer 2001; Humphreys and Weinstein 2008). In particular, individuals may engage in violence when productive activities in peaceful times are scarce, unemployment is high and returns from agriculture work are low (Collier and Hoeffler 1998; Deininger 2003; Grossman 2002: Walter 2004). When joining militias or military groups, young men may also get access to food and clothing, as well as recognition and sense of becoming valuable, which may not be part of their lives (Clark 2006; Humphreys and Weinstein 2004). Walter (2004) discusses the importance of 'misery' and 'lack of voice' as incentives for the retention of fighters in armed groups, while Richards (1996) shows how young soldiers and civilians alike used rebellion in Sierra Leone as a way of continue their education when state infrastructure collapsed. In a pioneering study of the civil war in El Salvador, Elisabeth Wood (2003) refers to what she calls the 'pleasure of agency' and a "new sense of hope and dignity" born from defiance against ruling parties and state brutality, and revenge against the impact of violence on family and friends. Moore (1978) attributes violence to the violation of norms of fairness in society, while Petersen (2001) shows how grief, anger, revenge and pride may be central to individual and community decisions to participate in violent collective action.

However, while poverty, inequality, social exclusion, discrimination and other sources of grievances exist in most societies, only a few countries have experienced armed conflict. This is because not all societies have in place the structures and institutions that allow the translation of grievances into acts of violence and rebellion (Fearon 2004). Collective mobilisation is also not sufficient to sustain armed conflict without human, material and financial support. Inequality, exclusion and resulting social discontent are therefore unlikely to be a sufficient condition to trigger armed conflict. Nonetheless, high levels of social discontent and perceived injustices may be instrumental to the organisation of collective violence when combined with the readily availability of resources (people, funds, food, and military assets) to sustain the rebellion, or when access to resources can be made available or easily appropriated. However, the mechanisms that lead to the "actualization [of discontent] in violent action against political

objects and actors" (Gurr 1970) are not well-understood. We also have very limited understanding of the mechanisms that will sustain or limit violence once conflict is underway. When violent conflict emerges from social discontent, will it result in more cohesive and just societies? How? When? Will violence remain as a permanent form of resolving social conflicts or will alternative systems of conflict resolution emerge? These issues are discussed in the section below.

4. Institutional transformation, armed conflict and shared societies

The transition to shared societies will be determined to a large extent by how the norms and organisations that emerge from the conflict manage the social differences that led to the conflict in the first place. Institutional change is one of the most important legacies of violent conflict (Blattman and Miguel 2010; Justino 2012). Changes in institutional structures in turn have considerable implications for the reconstruction of communities, economic recovery and the establishment of democracy (Acemoglu and Robinson 2006, 2012; Hoff 2003; North 1990). In particular, institutional change – defined in this section in terms of change in social organisation arrangements and local governance structures – holds an important key to understanding how shared societies are built and sustained.

Armed conflict and its aftermath may well result in the exclusion of certain groups and the undermining of social cohesion. A large literature has examined the impact of inequalities on the onset of civil conflict. Much less exists on the impact of conflict on distributional arrangements in societies affected by violence though it is well-accepted that conflicts will result in new forms of social arrangements and political structures that are bound to benefit some groups in detriment of others. These changes in distribution, and potential association with new forms of social injustices in post-conflict periods, may lead to further outbreaks of violence. Below I discuss two areas of institutional change that are particularly critical to understanding how and why some societies make successful transitions from violence to cohesion, while others remain trapped into violence, often across generations. The first area of institutional change is concerned with the relationship between violent conflict and the transformation of social norms around trust and

cooperation. The second area is related to the emergence of governance and order in areas outside the control of the state.

4.1. Violence and social norms of cooperation

The first way in which violent conflict results in institutional transformation is through changes in local social relations that determine the nature of local norms of conduct, cooperation and trust. This includes changes in how communities relate internally and with other communities, the functioning of local citizen organisations and the relation between local communities and state-level institutions. Violent conflict is typically portrayed as causing the destruction of the social fabric of communities where it takes place (Colletta and Cullen 2000; Collier 1999; Hartzell et al. 2003). Recent empirical research shows, however, that socio-political change during conflict may result in positive forms of collective action in the post-conflict period (Bellows and Miguel 2009; Blattman 2009; Voors et al. 2010). Similarly, while some forms of social interactions may create the conditions for the outbreak of violence (see, for instance, Pinchotti and Verwimp 2007), in other cases strong community links may prevent local tensions from feeding into national cleavages that lead into mass violence. The impact of these different forms of social interaction on how forms of inequality and exclusion emerge and are managed will depend on the initial characteristics and alliances of individuals and communities at the start of the conflict, the level of breakdown of social cohesion during the conflict (for instance, displaced communities targeted by the conflict due to ethnic or other characteristics may fare worse) and the strength and types of new networks, organisations and alliances formed during and after the conflict (for instance, those fighting for winning coalitions may benefit from new forms of governance in the post-conflict period) (Justino 2012).

The development economics literature has provided wide-ranging evidence for the importance of social organisations and norms of conduct, cooperation and trust on several social, economic and political outcomes. In particular, individual and household group membership (for instance, of race, religion and ethnic groups, local associations and so forth) has been shown to affect significantly human and social capital outcomes (Durlauf 1996; Fafchamps and Lund 2002), including the persistence of inequalities due to distorted 'neighbourhood' effects (Durlauf 1996;

Wilson 1995) and social segregation (Bowles, Loury and Sethi 2009). Similar mechanisms are likely to arise from changes in intra- and inter-household and community relations during violent armed conflict. However, very few studies have examined the role of changes in social relations, organisations and norms in contexts of violent conflict.

Recent studies have tried to isolate the impact of violent conflict on norms of trust and cooperation, as these are likely to be central to understanding how social cohesion is regained in the post-conflict period. Bellows and Miguel (2009) find that individuals who were exposed more intensely to war-related violence in Sierra Leone are more likely to attend community meetings, to join local political and community groups, and to vote in the post-conflict period. Similarly, Blattman (2009) finds a strong positive correlation between exposure to violence and increased individual political participation and leadership amongst ex- combatants and victims of violence in Northern Uganda. Voors et al. (2010) find that direct individual experiences of violence during the Burundi civil war have resulted in more altruistic behaviour. De Luca and Verpoorten (2012) show that in the case of Uganda self-reported trust and group membership decrease in the aftermath of outbreaks of fighting but recover rapidly once fighting subsides.

More recent research has highlighted the less positive effects of violent conflict on social trust and cooperation. Bauer et al. (2011) ran experiments with around 600 children aged 4-11 affected by the 2008 conflict between Georgia and Russia. This study reports that exposure to the conflict was associated with increases in forms of altruism and fairness within communities, but not between communities. This has resulted in the strengthening of parochial attitudes and reliance on immediate kinship ties. Cassar et al. (2011) discuss similar results in the case of individuals exposed to violence during the civil war in Tajikistan in the 1990s, as do Rohner, Thoenig and Zilibotti (2011) for the case of Uganda.

This area of research is very new and the debate is still ongoing. However, the studies above clearly indicate that experiences of violence appear to be central mechanisms driving changes in norms of trust and cooperation. This is a very important area of research as social organisations and norms that emerge from violent conflict will entail considerable consequences in how societies move from violence to cohesion and democracy.

4.2. Violence, state absence and local governance structures

The second way in which institutional transformation takes place is through the emergence of non-state actors that aim to replace weak, inexistent or inappropriate state institutions. Some of these actors resort to the use of violence or the threat of violence to maintain their authority outside official state control, while others take on the functions of the state in less violent ways. Some of these actors replace the state outright, while some may act as mediators between local people and state institutions (Olson 1993; Gambetta 1996; Young 1997; Pool 2001). These processes of institutional change have been described in the literature, particularly in policy circles, as 'state collapse' (Milliken 2003; Zartman 1995) or 'state failure' (Ghani and Lockhart 2008; Milliken 2003). What is less understood is that the collapse of 'government' or even the 'state' does not necessarily have to be accompanied by the collapse of 'governance'. Rather, it is typically accompanied by institutional changes as different actors replace weak or inexistent institutions in the provision of local public goods, the enforcement of property rights and social norms and the provision of security.

These processes of institutional transformation are likely to be more present in contexts of uneven development – in other words, when development that is experienced differently across population groups, regions and sectors – because the state may be unable (or unwilling) to cope with rapid changes and take adequate measures to mitigate the impact of uneven growth patterns. In these situations, inequalities may rise, feeding into processes of exclusion and disenfranchisement, while higher economic opportunities in some areas or sectors may lead to predatory behaviour from some actors and organisations. Informal mediators, informal service providers and informal systems of governance may replace or contest the state in those settings, thereby shaping how individuals, households and communities access social, political and economic structures, or remain excluded from it. Violence and conflict may rise and persist in contexts where informal actors and organisations contest the role of state institutions in the provision of services, public goods, justice and security. But violence and conflict may also open the space for the emergence of stable organisations and actors, and the establishment of political order.

In some cases, these actors are aliens to the communities in which they operate and emerge from new structures imposed by ways in which different factions compete over control for resources, populations and territories. In other cases, they are related via kinship, ethnic or other ties to local forms of leadership and governance that would have existed before the conflict – and that may or may not have been formally incorporated into the state structures – thereby blurring the distinction between populations, local state actors and non-state groups. The actions of these actors have profound impacts, both negative and positive, on the organisation of local societies. However, current understanding of these institutional changes is extremely limited, which has severely constrained political and development efforts at promoting positive change in conflict contexts.

The emergence of new political actors and forms of governance in areas affected by violent conflict may affect political institutional organisations that determine the access to and effectiveness of livelihoods and security adopted by individuals living under the control of these actors. Some recent research has looked at the formation and influence of non-state institutions in situations of violence such as rebel groups, militias, paramilitary groups, warlords, gangs, mafia, drug trafficking factions, private security providers and vigilante groups (Arjona 2009; Gambetta 1996; Skaperdas 2001; Volkov 2002; Weinstein 2007; Weinstein 2007), as well as at the emergence of social order in violent contexts (Arjona 2009; Kalyvas et al. 2008).

These actors include situations of criminal and predatory actions, as well as less non-violent forms of behaviour that remain are largely overlooked in the literature (Arjona 2009; Lubkemann 2008). In all cases, emerging institutional arrangements appear to significantly determine local decision making structures, the organisation of property rights and the provision of public goods, security and justice. In addition, these local institutions, and the actors that (attempt to) control them, shape norms and behaviour well beyond the end of the conflict (Arjona 2009; Mampilly 2011; Wood 2008).

The control of populations and the provision of security by non-state actors are typically viewed suspiciously by the international community. These groups are described in a variety of derisory

ways ranging from criminals, thugs and 'spoilers' to, more recently, terrorists, following the 'war on terror' campaign (Mampilly 2011). Emerging evidence is starting to show that in many circumstances some of these organisations in some ways operate sophisticated structures of governance, promoting (some form of) the rule of law, and imposing norms of conduct and social behaviour. In many contexts, this has lead to improvements in the living conditions of populations under their control and administration (see Arjona 2009; Kasfir 2005; Mampilly 2011; Mehlun, Moene and Torvik 2006; Weinstein 2007).[5]

The actions of these actors are likely to have profound impacts on the duration of the conflict and how society and markets are organised in the post-conflict period. The nature and magnitude of this impact will depend on the strength of new local forms of governance relative to the strength of local state presence, and how this relationship evolves with the conflict (Kalyvas 2005; Weinstein 2007). This is in turn associated with the effectiveness of non-state armed groups in relation to the state apparatus to control local resources and populations (Justino 2012). This may be done through fear and terror, through the provision of public goods and security and the establishment of social norms and sanctions to guarantee social cohesion and the protection of property rights and punish undesirable behaviour, or through a mix of both strategies (see Kalyvas 1999 2003 2005; Valentino 2004; Arjona and Kalyvas 2006).

Understanding the transition from armed conflict to shared societies through changes in political institutions requires meticulous knowledge of how state and non-state actors interact and compete throughout the conflict, how their strategies of violence determine population support and the control of territories and resources, and how different state and non-state actors' activities are embedded in different areas and communities. These institutional changes are important because they shape how violent conflict unfolds at the wider political level, how violent groups may be transformed into nonviolent political parties and how political and development interventions – for instance, establishment of elections, restructuring of property rights, local justice and security reforms, demobilisation and reconstruction programmes, and social service provision – may support (or fail to support) the transition to shared societies.

[5] This argument is akin to Olson (2000)'s distinction between 'stationary bandits' and 'roving bandits'.

5. Concluding remarks: A new research and policy agenda?

This chapter has argued that structural factors present in societies where social cohesion is low and exclusion is high may created the conditions for the emergence of armed conflict. In these contexts, violence may be used strategically to access power, or to improve unequal or unjust situations. Local communities, local governments and the international community face the challenge of establishing the conditions that facilitate the transition from the use of violence as the preferred means of conflict resolution, to inclusive and democratic societies. This chapter discussed how this process of transformation may be supported (or hindered) by the type of social and political institutions that emerge and endure in areas of violent conflict.

The chapter makes the case that violence may be mitigated – even in countries affected by violent conflict – by norms and organisations that may lay the seeds for stability, trust and inclusion. Some of these norms and organisations may lie at the margin of state institutions and may be determined by actors outside the state apparatus. But they are central to understanding how societies transition to inclusiveness, or remain trapped into vicious cycles of underdevelopment and violence. In some cases, norms and organisations that emerge from violent conflict may produce dysfunctional social, economic and political processes that will perpetuate the conflict itself. In other cases, these forms of institutional transformation may establish the seeds of accountability and legitimacy that may have been lacking in society at the onset of the conflict.

Post-conflict stabilisation and recovery policy has recently shifted its attention from short-term conflict mitigation interventions to the need to 'get institutions right' (World Bank 2011). The World Bank's flagship publication, the World Development Report, argued in 2011 for a strong focus on the complex long-term challenges faced by conflict-affected countries in building democratic institutions, the rule of law, sustainable security, and the need for the international community to support these institutions. The analysis developed in this chapter supports this view, but asks the more difficult question raised by the other side of the story: what do we do about the institutions that emerge from violent conflict? Answering this question requires understanding violence beyond its destructive role. In particular, violence has an instrumental

function when used strategically by political actors to transform the state institutions that determine the current and future allocation of power.

Conflict-affected countries are not 'blank states' once wars have ended. Rather, they are the sites of intense institutional change, as different actors gain the monopoly over the use of violence in contested areas. The actions of these actors have profound impacts on the survival and security of ordinary people, and the emergence of social, economic and political organisation in the areas they control. Such forms of institutional transformation are central to explaining why violent conflict may persist in many societies, why it often mutates into different forms of violence and criminality, and why some societies have historically successfully moved from violence, corruption and destitution to cohesion, democracy and inclusiveness.

These processes of transformation are, however, largely ignored in post-conflict policy interventions, where the security and the capacity of the *state* may lie at odds with the security and welfare of its *people*. This represents a real challenge for the international community, but one that has to be addressed if justice and inclusiveness are to be promoted in areas of violent conflict.

References

Acemoglu, D. and Robinson, J. 2012. Why Nations Fail: The Origins of Power, Prosperity and Poverty. Profile Books, London.

Acemoglu, Daron and James Robinson. 2006. *Economic Origins of Dictatorship and Democracy*. Cambridge University Press.

Akbulut-Yuksel, M. 2009. "Children of War: The Long-Run Effects of Large-Scale Physical Destruction and Warfare on Children", HiCN Working Paper no. 62, Households in Conflict Network (www.hicn.org).

Alesina, A. and Perotti, R. (1993), *Income Distribution, Political Instability and Investment*, National Bureau of Economic Research, Working Paper no. 4486.

Alderman, H., Hoddinott, J. and Kinsey, B. 2006. "Long Term Consequences of Early Childhood Malnutrition", *Oxford Economic Papers*, 58 (3): 450-474.

Arjona, A. M. 2009. "Variants of Social Order in Civil War.". Unpublished PhD Dissertation, Yale University, Department of Political Science.

Arjona, A. M. and Kalyvas, S. N. 2006. "Preliminary Results of a Survey of Demobilized Combatants in Colombia". Unpublished manuscript, Yale University.

Bates, Robert. 1974. "Ethnic Competition and Modernization in Contemporary Africa", *Comparative Political Studies 6*: 457-484.

Bauer, M., Cassar, A., Chytilova, J., Henrich, J. 2011. "Warfare during Ontogeny Increases Egalitarian and Parochial Motivations", Working Paper, University of San Francisco.

Bellows, J. and Miguel, E. 2006. "War and Institutions: New Evidence from Sierra Leone", *American Economic Review* 96 (2): 394-399.

Bellows, J. and Miguel, E. 2009. "War and Local Collective Action in Sierra Leone", *Journal of Public Economics* 93: 1144-1157.

Bénabou, R. (1996), *Inequality and Growth*, National Bureau of Economic Research, Working Paper no. 2123.

Benhabib, J. and Rustichini, A. 1996. "Social Conflict and Growth". Journal of Economic Growth 1, 125-142.

Ben-David, D. and Papell, D. 1995. "The Great Wars, the Great Crash, and the Unit Root Hypothesis," *Journal of Monetary Economics*, 36: 453-475.

Besley, T. and Persson, T. 2011. *Pillars of Prosperity: The Political Economics of Development Clusters*. Princeton University Press, New Jersey.

Blattman, C. 2009. "From Violence to Voting: War and Political Participation in Uganda", *American Political Science Review* 103 (2): 231.

Blattman, C. and Miguel, E., 2010 "Civil War" *Journal of Economic Literature* 48 (1): 3-57.

Boix, C. 2003. *Democracy and Redistribution*. Cambridge University Press, New York.

Bowles, S., Loury, G and Sethi, R. 2009. "Group Inequality". Unpublished manuscript, Columbia University.

Bundervoet, T., Verwimp, P. and Akresh, R. 2009. "Health and Civil War in Rural Burundi", *Journal of Human Resources*, 44 (2).

Bush, K. D. and Saltarelli, D. (2000), *Two Faces of Education in the Ethnic Conflict: Towards a Peacebuilding Education for Children*, Technical Report, UNICEF. Innocenti Insight.

Cassar, A., Grosjean, P. and Whitt, S. 2011. "Civil war, Social Capital and Market Development: Experimental and Survey Evidence on the Negative Consequences of Violence", Working Paper, University of San Francisco.

Clark, C. (2006). "Livelihood Networks and Decision-Making Among Congolese Young People in Formal and Informal Refugee Contexts in Uganda", HiCN Working Paper no. 13, Households in Conflict Network (www.hicn.org).

Colletta, N. J. and Cullen, M. L. 2000. *Violent Conflict and the Transformation of Social Capital: Lessons from Cambodia, Rwanda, Guatemala, and Somalia*, Conflict Prevention and Post-Conflict Reconstruction, World Bank, Washington D. C.

Collier, Paul. 2007. *The Bottom Billion*. Oxford University Press, Oxford.

Collier, P. 1999. "On the Economic Consequences of Civil War", *Oxford Economic Papers* 50(4): 168-83.

Collier, P. and Hoeffler, A. 1998. "On Economic Causes of Civil War", *Oxford Economic Papers* 50(4): 563–573.

Collier, P. and Hoeffler, A. 2004. "Greed and Grievance in Civil War", *Oxford Economic Papers* 56 (4): 563-595.

Cragin, K. and Chalk, P. (2003), "Terrorism and Development: using Social and Economic Development to Inhibit a Resurgence of Terrorism", Working Paper MR-1630-RC, RAND Corporation, Santa Monica, California.

Cramer, C. 2006. *Civil War Is Not a Stupid Thing: Accounting for Violence in Developing Countries*. London: Hurst & Company.

Davis, D. and Weinstein, D. 2002. "Bones, Bombs, and Break Points: The Geography of Economic Activity," *American Economic Review*, 92: 1269-1289.

Deininger, K. 2003. "Causes and Consequences of Civil Strife: Micro-Level Evidence from Uganda", *Oxford Economic Papers* 55: 579-606.

De Luca, G. and Verpoorten, M. 2012. "From Vice to Virtue? Civil War and Social Capital in Uganda", HiCN Working Paper no. 111, Households in Conflict Network (www.hicn.org).

Dube, O. and Vargas, J. 2007. "Are All Resources Cursed? Coffee, Oil and Armed Conflict in Colombia", Working Paper no. 2007-1, Weatherhead Center for International Affairs, Harvard University.

Durlauf, S. 1996. "A Theory of Persistent Income Inequality", *Journal of Economic Growth* 1: 75-93.

Easterly, W. and Levine, R. 1997. "Africa's Growth Tragedy: Policies and Ethnic Divisions", *Quarterly Journal of Economics*, CXII: 1202-1250.

Esteban, J. and Ray, D. 1994. "On the Measurement of Polarization", *Econometrica* 62, 819-852.

Esteban, J. and Schneider, G. 2008. "Polarization and Conflict: Theoretical and Empirical Issues", *Journal of Peace Research* 45 (2): 131-141.

Fafchamps, M. and Lund, S. 2002. "Risk-Sharing Networks in Rural Philippines", *Journal of Development Economics* 71: 261-287.

Fajnzylber, P., Lederman, D., Loayza, N., 1998. Determinants of Crime Rates in Latin America and the World: An Empirical Assessment. World Bank, Washington D.C.

Fay, M., 1993. Illegal Activities and Income Distribution: A Model of Envy. Mimeo, Department of Economics, Columbia University, New York.

Fearon, J. D. 2004. "Why Do Some Civil Wars Last So Much Longer Than Others?", *Journal of Peace Research* 41(3): 275–301.

Fearon, J. and Laitin, D. 2003. "Ethnicity, Insurgency and Civil War", *American Political Science Review* 97 (1): 75-90.

Gambetta, D. (1996). *The Sicilian Mafia: The Business of Private Protection*. Cambridge: Harvard University Press.

Ghani, A and Lockhart, C., 2008 *Fixing Failed States: A Framework for Rebuilding A Fractured World.* Oxford University Press, Oxford.

Grossman, H. I. 1991. "A General Equilibrium Model of Insurrections", *American Economic Review*, 81 (4): 912-921.

Grossman, H. I. 1999. "Kleptocracy and Revolutions", *Oxford Economic Papers*, 51: 267-283.

Grossman, H. I. 2002. "Make Us a King: Anarchy, Predation, and the State", *European Journal of Political Economy* 18 (1): 31-46.

Gupta, K. D. (1990), *The Economics of Political Violence: The Effect of Political Instability on Economic Growth*. Praeger: New York.

Gurr, T. R. 1970. *Why Men Rebel*, Princeton University Press.

Hartzell, C., Hoddie, M. and Rothchild, D. 2001. "Stabilizing the Peace After Civil War: An Investigation of Some Key Variables", *International Organization* 55: 183-208

Hirschman, A. O., 1981. Essays in Trespassing: Economics to Politics and Beyond. Cambridge University Press, Massachusetts.

Hirshleifer, J. 2001. *The Dark Side of the Force: Economic Foundations of Conflict Theory*, Cambridge University Press.

Hoff, K. 2003. "Paths of Institutional Development: A View from Economic History", *World Bank Research Observer*, 18 (2): 205-226.

Horowitz, D. 1985. *Ethnic Groups in Conflict*. University of California Press, Berkeley.

Humphreys, M. and Weinstein, J. 2008. "Who Fights? The Determinants of Participation in Civil War", *American Journal of Political Science* 52(2): 436-455.

Justino, P. 2012. "War and Poverty", in M. Garfinkel and S. Skarpedas (eds.), *Handbook of the Economics of Peace and Security*, Oxford University Press.

Justino, P. 2008. "Carrot or Stick? Redistributive Transfers versus Policing in Contexts of Civil Unrest", MICROCON Research Working Paper no. 3, Institute of Development Studies.

Kaldor, M. 1999. *New and Old Wars: Organized Violence in a Global Era*. Stanford University Press, Stanford.

Kalyvas, S. N. 1999. "Wanton and Senseless? The Logic of Massacres in Algeria", *Rationality and Society* 11 (3): 243-285.

Kalyvas, S. N. 2001. "'New' and 'Old' Civil Wars: A Valid Distinction?" *World Politics* 54 (1): 99-118.

Kalyvas, S. N. 2003. “The Ontology of ‘Political Violence’: Action and Identity in Civil Wars”, *Perspectives on Politics*, 1 (3): 475-494.

Kalyvas, S. N. 2005. “Warfare in Civil Wars”. In Isabelle Duyvesteyn and Jan Angstrom (eds.), *Rethinking the Nature of War*. Frank Cass, Abingdton.

Kalyvas, S. N., Shapiro, I. and Masoud, T. 2008. “Introduction: Integrating the Study of Order, Conflict, and Violence”. In Stathis N. Kalyvas, Ian Shapiro and Tarek Masoud (eds.), *Order, Conflict and Violence*, Cambridge University Press, Cambridge M.A.

Kaplan, R. 2000. *The Coming Anarchy: Shattering the Dreams of the Post Cold War*. Vintage.

Kasfir, N. 2005. “Guerillas and Civilian Participation: The National resistance Army in Uganda, 1981-86”, *Journal of Modern African Studies* 43: 271-296.

Keen, D. 1997. “A Rational Kind of Madness”, *Oxford Development Studies*, 25 (1).

Keen, D. 1998. “The Economic Functions of Violence in Civil Wars”, *Adelphi Paper* no. 320. International Institute of Strategic Studies, Oxford.

Keen, D. 2005. *Conflict and Collusion in Sierra Leone*. London: James Currecy Publishers.

Killick, T., 2002. Responding to Inequality. Inequality Briefing Paper No. 3. DFID and ODI.

Knight, M., N. Loayza and D. Villanueva. 1996. “The Peace Dividend: Military Spending Cuts and Economic Growth.” *IMF Staff Papers* 43(1): 1-37. Washington DC, United States.

Langer, A. 2004. “Horizontal Inequalities and Violent Conflict: The Case of Cote D’Ivoire”, CRISE Working Paper no. 13, Centre for Research on Inequality, Human Security and Ethnicity, Queen Elizabeth House, University of Oxford.

Lubkemann, S. 2008. *Culture in Chaos: An Anthropology of the Social Condition in War*. Chicago: University of Chicago Press.

Mampilly, Z. 2011. *Rebel Rulers: Insurgent Governance and Civilian Life During War*. Cornell University Press.

Mehlun, H., Moene, K. and Torvik, R. 2006. "Parasites". In Simon Bowles, Steven Durlauf and Karla Hoff (eds.), *Poverty Traps*. Princeton University Press.

Miguel, E., Satyanath, S. and Sergenti, E. 2004. "Economic Shocks and Civil Conflict: An Instrumental Variables Approach", *Journal of Political Economy* 112(4): 725-753

Milliken, J. (ed.) 2003. *State Failure, Collapse & Reconstruction.* Malden, Blackwell.

Moore, B. 1978. *Injustice: The Social Bases of Obedience and Revolt*. M. E. Sharpe, White Plains, N. Y.

Montalvo, J. and Reynal-Querol, M. 2008. "Discrete Polarization with an Application to the Determinants of Genocides", *Economic Journal* 118: 1835-1865.

Muller, E. and Seligson, M. A. 1987. "Inequality and Insurgency", *American Political Science Review* 81(2): 425-451.

Murshed, M. and Gates, S. 2005. "Spatial-Horizontal Inequality and the Maoist Insurgency in Nepal", *Review of Development Economics* 9: 121-134.

North, D. 1990. *Institutions, Institutional Change, and Economic Performance*. Cambridge University Press, New York.

North, D., Wallis, J. and Weingast, B. 2009. *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*. Cambridge University Press, New York.

Olson, M. 1965. *The Logic of Collective Action: Public Good and the Theory of Groups*. Cambridge, MA: Harvard University Press

Olson, M. 1993. "Dictatorship, Democracy and Development", *American Political Science Review* 87 (3): 567-576.

Olson. M. 2000. *Power and Prosperity: Outgrowing Communist and Capitalist Dictatorships*, Basic Books.

Østby, G. 2006. `Horizontal Inequalities, Political Environment and Civil Conflict: Evidence from 55 Developing Countries', *CRISE Working Paper 28*, University of Oxford (http://www.crise.ox.ac.uk/pubs/workingpaper28.pdf).

Paige, J. 1975. *Agrarian Revolutions.* Free Press, New York.

Petersen, R. 2001. *Resistance and Rebellion: Lessons from Eastern Europe*. Cambridge: Cambridge University Press.

Pinchotti, S. and Verwimp, P. 2007. "Social Capital and the Rwandan Genocide: A Micro-Level Analysis", HiCN Working Paper no. 30, Households in Conflict Network (www.hicn.org).

Pool, D. 2001. *From Guerrillas to Government: The Eritrean People's Liberation Front*, Ohio University Press.

Reno, William 2002. 'The Politics of Insurgency in Collapsing States', *Development and Change* 33(5): 837-858.

Richards, P. 1996. *Fighting for the Rainforest: War, Youth and Resources in Sierra Leone*. London: James Currey Publishers, 1996.

Rohner, D., Thoenig, M. and Zilibotti, F. 2012. "Seeds of Distrust: Conflict in Uganda", HiCN Working Paper no. 112, Households in Conflict Network (www.hicn.org).

Schock, K. 1996. "A Conjuctural Model of Political Conflict: The Impact of Political Opportunities on the Relationship Between Economic Inequality and Violent Political Conflict", *Journal of Conflict Resolution,* 40 (1): 98-133.

Scott, J. 1976. *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia.* Yale University Press, New Haven.

Shemyakina, O. 2011. "The Effect of Armed Conflict on Accumulation of Schooling: Results from Tajikistan", *Journal of Development Economics* 95 (2); 186-200.

Skaperdas, S. 2001. "The Political Economy of Organized Crime: Providing Protection When the State Does Not", *Economics of Governance* 2: 173-202.

Stewart, F. 2000. "Crisis Prevention: Tackling Horizontal Inequalities", *Oxford Development Studies* 28 (3).

Stewart, F. 2002. "Horizontal Inequalities: A Neglected Dimension of Development", *Queen Elisabeth House, Working Paper Series* No. 81, University of Oxford, United Kingdom.

Thyne, C. L. (2005), "ABC's, 123's and the Golden Rule: The Pacifying Effect of Education on Civil Conflict, 1980-1999". http://myweb.uiowa.edu/cthyne/research.htm

Tilly, C. 1998. *Durable Inequality*, California: University of California Press.

Tilly, Charles, 1990. *Coercion, Capital, and European States, AD 990-1990*. Blackwell, Oxford.

Tilly, Charles, 1978. *From Mobilization to Revolution*. McGraw-Hill, New York.

Tilly, C. 1975. *The Formation of National States in Western Europe*. Princeton University Press, Princeton.

Themner, L. and Wallensteen, P. 2011. "Armed Conflict, 1946–2010", *Journal of Peace Research* 48: 525-536.

Valenti, M. and Giovannoni, O. 2011. "The Economics of Inclusion: Building an Argument for a Shared Society", Working Paper, Club de Madrid.

Valentino, B. 2004. *Final Solutions: Mass Killing and Genocide in the 20th Century*. Ithaca, Cornell University Press.

Voors, M., Nillesen, E., Verwimp, P., Lensink, R. and van Soest, D. 2010. "Does Conflict Affect Preferences? Results from Field Experiments in Burundi", MICROCON Working Paper no. 21, Institute of Development Studies, Brighton (www.microconflict.eu).

Volkov, V. 2002. "Who is Strong When the State Is Weak". In M. Beissinger and C. Young (eds.), *Beyond State Crisis?: Post-Colonial Africa and Post-Soviet Eurasia in Comparative Perspective*, Woodrow Wilson Press.

Walter, B. F. 2004. "Does Conflict Beget Conflict? Explaining Recurring Civil War", *Journal of Peace Research*, 41 (3): 371-88.

Weinstein, J. 2007. *Inside Rebellion: The Politics of Insurgent Violence*, Cambridge: Cambridge University Press.

Wilson, W. J. 1995. *The Truly Disadvantaged*. University of Chicago Press, Chicago.

Wood, E. J. 2008. "The Social Processes of Civil War: The Wartime Transformation of Social Networks", *Annual Review of Political Science* 11: 539-561.

Wood, E. J., 2003. *Insurgent Collective Action and Civil War in El Salvador*. Cambridge Studies in Comparative Politics. New York: Cambridge University Press.

World Bank. 2011. World Development Report 2011. World Bank, Washington, D. C.

Zartman, W. (ed) 1995. *Collapsed States: The Disintegration and Restoration of Legitimate Authority,* Boulder.

Table 1. Global Peace Index Rankings 2010 and 2007 – Selected Countries

Country	2010		2007	
	Rank	Score	Rank	Score
New Zealand	1	1.19	2	1.36
Iceland	2	1.21	n.a.	n.a.
Japan	3	1.25	5	1.41
.....				
China	80	2.03	60	1.98
.....				
Brazil	83	2.05	83	2.17
.....				
India	128	2.52	109	2.53
.....				
Russia	143	3.01	118	2.90
.....				
Afghanistan	147	3.25	120	3.18
Somalia	148	3.39	n.a.	n.a.
Iraq	149	3.41	121	3.44

Source: Vision of Humanity – Institute for Economics & Peace.

Table 2. Inequality and Crime Rates (per 100,000 inhabitants) by Regions (Latest available year)

	Income inequality [a]		Intentional homicides [b]		Major robberies [c]	
	Regional mean	**Regional median**	**Regional mean**	**Regional median**	**Regional mean**	**Regional median**
Arab States	0.37	0.38	3.04	1.65	20.86	10.81
Central and East. Europe	0.34	0.34	3.69	2.90	38.78	31.79
East Asia and Pacific	0.43	0.43	4.48	3.15	24.05	13.30
Latin America	0.50	0.52	23.65	18.40	294.83	207.57
South Asia	0.38	0.37	3.20	2.80	47.51	1.86
Sub-Saharan Africa	0.44	0.44	18.48	15.80	68.38	23.04
High Income	0.32	0.33	1.40	1.20	172.87	59.85

Source: (a) GINI Index as used in UNDP (2011), *Human Development Report 2011*. Data refer to the most recent year available during the period 2000-2011. (b) UNODC crime and criminal justice statistics (http://www.unodc.org/unodc/en/data-and-analysis/crimedata.html). Data refer to the most recent year available during the period 2004-2010. (c) UNODC. Data refer to the most recent year available during the period 2003-2009.

* Means are not weighted by population. The sample of countries for each indicator differs according to available information.