

ECONOMIC CONDITIONS, POLITICAL INSTITUTIONS AND CONFLICT

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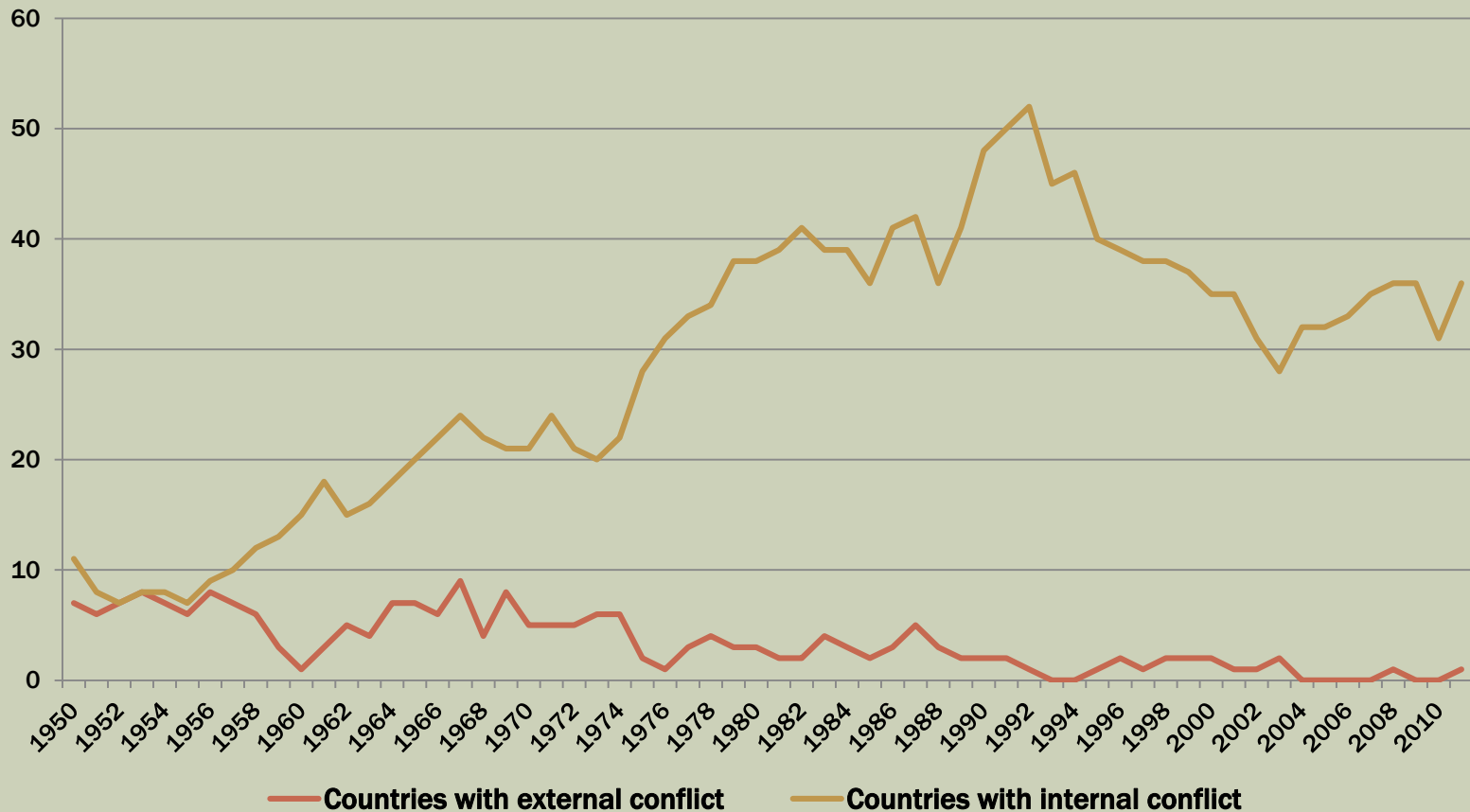
CONFLICT: MANY TYPES

- Inter-state aka war
- Intra-state/internal
 - Civil war
 - Terrorism
- People-to-people
 - Organized crime
 - Targeting specific sections of society
 - Women
 - Religious minorities

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INTERNAL CONFLICT IS BECOMING MORE COMMON THAN INTER-STATE CONFLICT



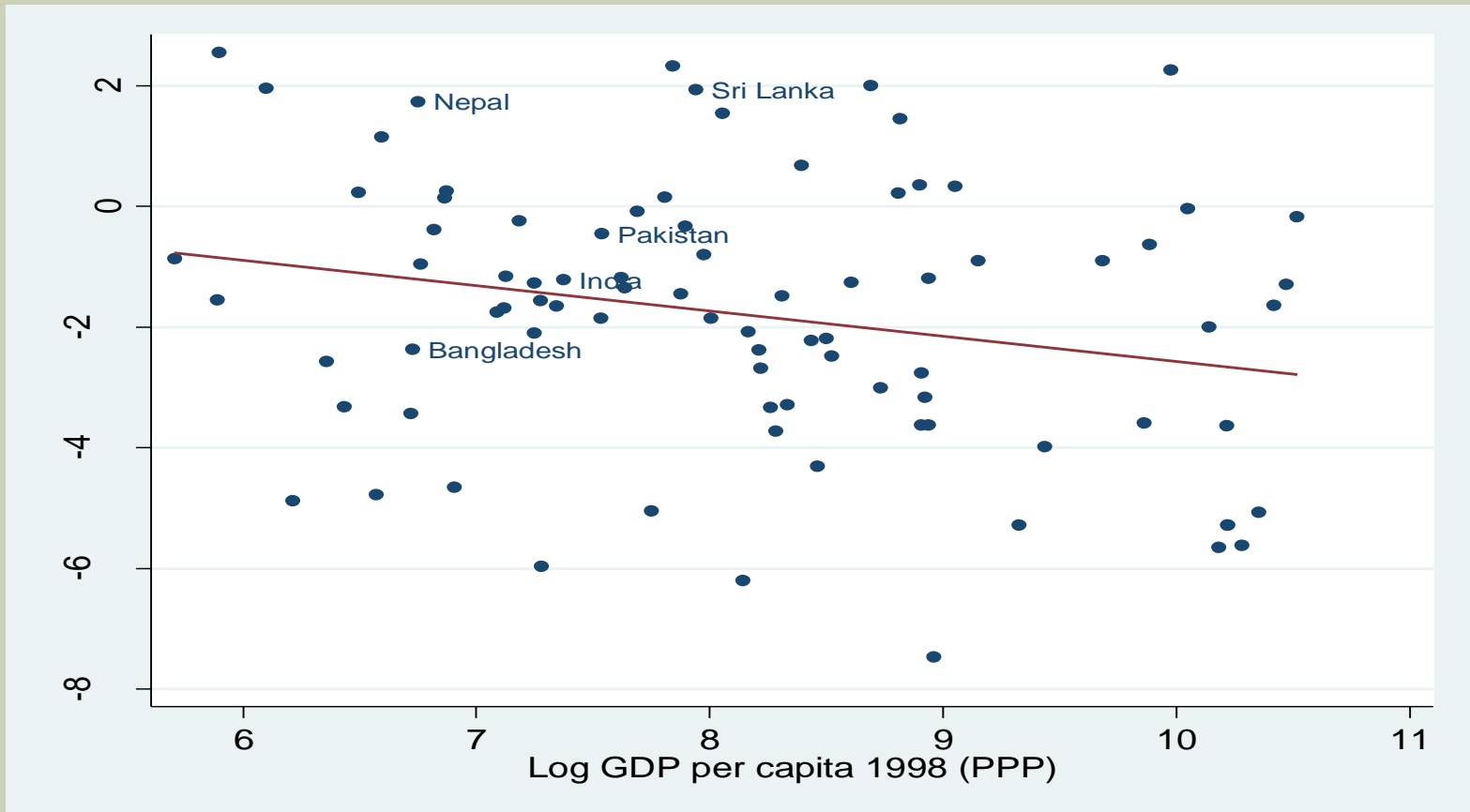
Source: Author's calculations from UCDP/PRIO Armed Conflict Dataset Version 4-2012
Conflict is defined as "A contested incompatibility that concerns government and/or territory where the use of armed force between two parties, of which at least one is the government of a state, results in at least 25 battle-related deaths."

LOW-LEVEL CONFLICTS ARE BECOMING MORE WIDESPREAD



Source: Author's calculations from UCDP/PRIO Armed Conflict Dataset Version 4-2012

ECONOMIC ROOTS: POOR COUNTRIES EXPERIENCE MORE INTERNAL CONFLICT

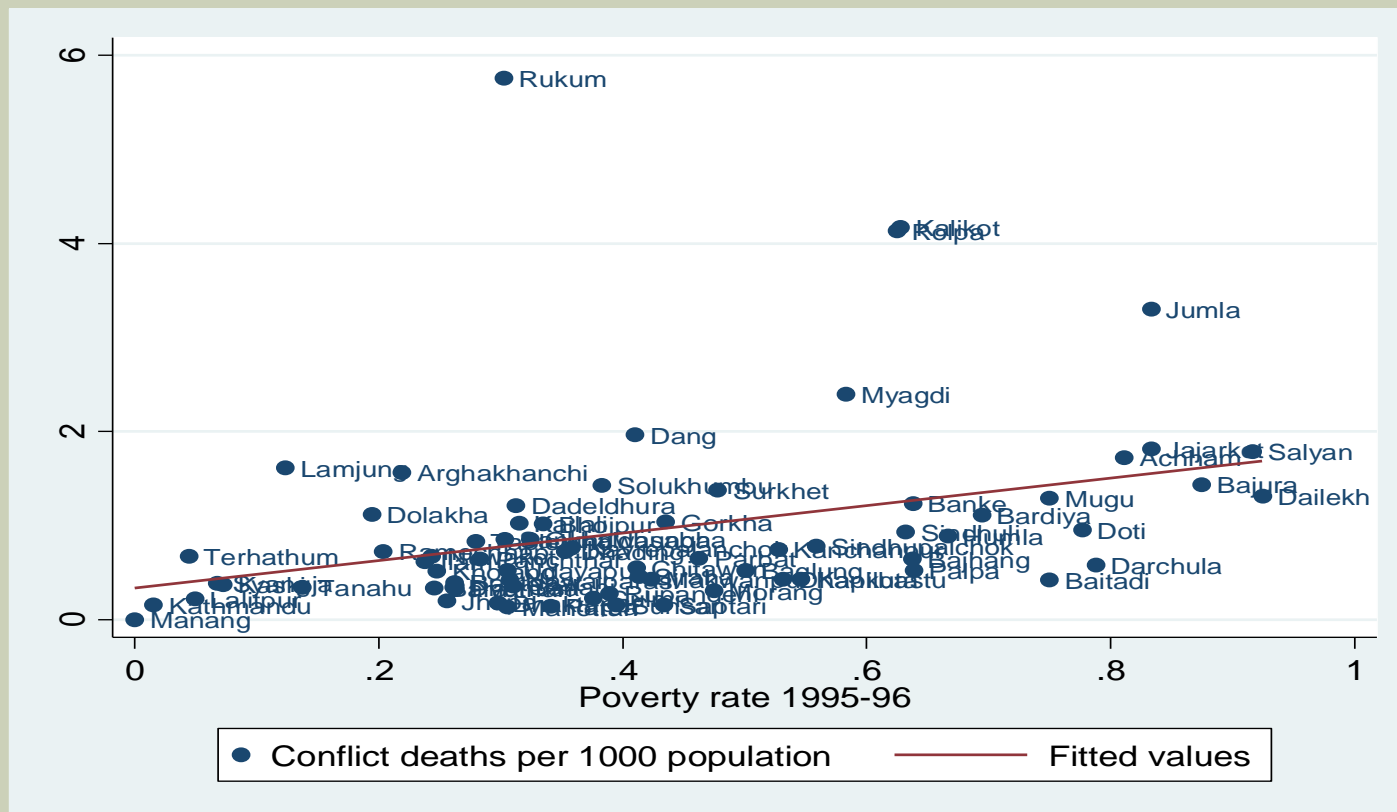


Source: Iyer (2011).

Conflict data is from Global Terrorism Database 2. GDP and population data from World Development Indicators.

POOR REGIONS WITHIN COUNTRIES EXPERIENCE MORE CONFLICT: NEPAL

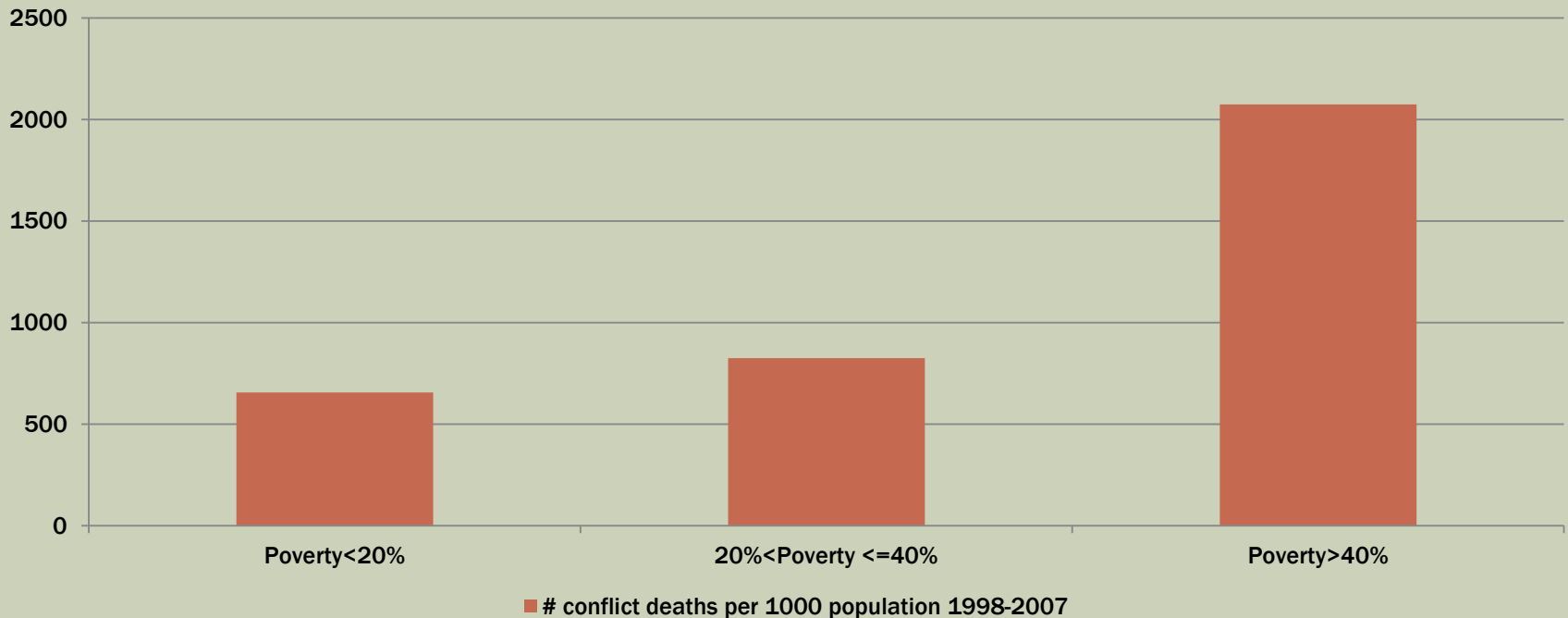
Conflict deaths in Nepal's civil war 1996-2006



Source: Do and Iyer (2010).

Notes: Conflict data collected at district level by the Informal Sector Service Center, Kathmandu. Poverty rate from Nepal Living Standards Survey, 1995-96.

POVERTY AND CONFLICT ACROSS INDIAN DISTRICTS



Source: Iyer (2011).

Notes: Conflict data is from the RAND-MIPT Terrorism Incident Database (1998-2007). Conflict is defined as “Violence calculated to create an atmosphere of fear and alarm to coerce others into actions they would not otherwise undertake, or refrain from actions they desired to take. Acts of terrorism are generally directed against civilian targets.” District level poverty rates are Head Count Ratios (percentage of population below the state-specified poverty line) computed from National Sample Surveys 1999-2000.

POLITICAL EMPOWERMENT OF TARGETED GROUPS

- Mandated political representation of women increasingly common
 - India's *Panchayati Raj*: 1/3rd of all local (district/village) councils to consist of women
 - 50% in Afghanistan village development councils (Fotini et al, 2012)
 - Many other developed and developing countries have gender quotas for elected officials.
- *Panchayati Raj* elections in India held at different dates by different states.
- Can assess the effect by comparing states before and after women gain such representation.

EFFECTS OF FEMALE POLITICAL REPRESENTATION IN INDIA

% Change after Panchayati Raj Implementation



Source: Iyer et al (2012).

Crime data obtained from National Crime Records Bureau, New Delhi.

Crime variables are number of crimes per 1000 population (gender-specific population for gender-specific crimes).

Results control for demographic characteristics, real per capita state GDP, policy strength per capita, state and year fixed effects and state-specific time trends.

WHAT ABOUT POLITICAL REPRESENTATION OF RELIGIOUS MINORITIES?

- Evidence from two newly created databases
 - Religious identity of state level legislators (based on names)
 - Incidents of Hindu-Muslim violence based on news reports in the Times of India (extend the Varshney-Wilkinson database from 1995 to 2010).
- Episodes of religious violence are not rare in India: Hindu-Muslim riots occurred in every year over the period 1980-2007, and in all but two states.
- On average, 7-8% of state legislators; this is below the Muslim population share of 13%.
- There is a decline in the occurrence of Hindu-Muslim riots after 1992 (except for the events of 2002 in Gujarat).

MUSLIM LEGISLATORS AND HINDU-MUSLIM VIOLENCE

- What is the impact of having a Muslim MLA on the probability of occurrence of a Hindu-Muslim riot?
- Confounding factors: places which elect Muslim MLAs might be very different from places which do not.
- We will therefore compare places where Muslim candidates narrowly won elections to places where Muslim candidates narrowly lost, as a means of controlling for such unobservable differences across different areas.

MUSLIM LEGISLATORS AND HINDU-MUSLIM VIOLENCE (PRELIMINARY EVIDENCE)

Sample	All districts	Districts with close elections between Muslims and non-Muslims		
Vote margin to define close elections		5%	3%	2%
Average probability of riot in sample	5.8%	9.5%	9.5%	8.4%
Effect of having a Muslim MLA in the district	0.3%	-1.0%	-4.5%	-6.0%

Source: Bhalotra, Clots-Figueras and Iyer, 2012.

Effect of having a Muslim MLA is computed from regressions which control for year and district fixed effects.

POLICY CONCLUSIONS

- Internal conflict/civil war has strong economic roots.
- Political representation can be an effective means to protect targeted communities.
- Rebuilding economic growth and political institutions are likely to be instrumental in preventing further conflict.
- But these are big challenges in post-conflict environments. Survey data from South Asian countries indicates the following characteristics of job markets in conflict zones:
 - Preponderance of agricultural jobs and a lack of manufacturing and construction jobs.
 - Education and skill deficits among the workforce.
 - Greater labor force participation, but a large incidence of unpaid and casual jobs.

Source: Iyer and Santos (2012).

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