The Motivating and Mobilizing Effect of Inequality on Civil Conflict

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Enduring Question since "The Communist Manifesto" (Marx, 1848)

- **[Class Struggle]** Inequality among individuals $\rightarrow$ Internal Conflict
- Current Discussions
  - ▶ Meta analyses & Annual reviews: No significant correlations
    (Bahgat et al, 2017; Ray & Esteban, 2017)
  - ▶ Alternative approach (2011) - ethnic group not social class
    - (Political Science) Theory of horizontal inequality
    - (Economics) Theory of within-group Inequality
    - Empirically inconclusive and remained correlation at best

Questions:

Causation Does Inequality Cause Civil Conflict?

Subject By Which Channels?

Mechanism How does the Ethnic Group motivate and mobilize Collective Violence?

Conceptual Frameworks

G.E of Social Conflict (Dalbo et al, 2011) :
Productive sectors & Appropriation sector (= rebellion)

The appropriated (looting) amount $= W(L_A)[P_R R + P_L(L - L_A)]$

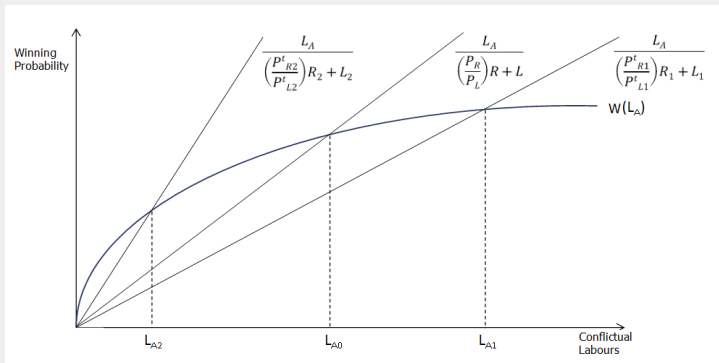$$\frac{W(L_A)}{L_A}[P_R R + P_L(L - L_A)] = [1 - W(L_A)]P_L$$

$$W(L_A) = \frac{L_A}{(\frac{P_R}{P_L})R + L}$$

Heckscher-Ohlin and Stopler-Samuelson theorems:
Income distribution determined by factor endowment & trade

$$\left(\frac{R}{L} \times \frac{1}{tariff} \right) \ \propto \ \Delta\frac{P_R^t}{P_L^t} \ \propto \ G$$

Figure: Inequality and Supply of Conflictual Labour

Hypothesis 1 Income inequality among individuals should raise the risk of civil conflict onset.

Public Good Dilemma: Non-excludable Return $\rightarrow$ Free-rider Problem

Solutions
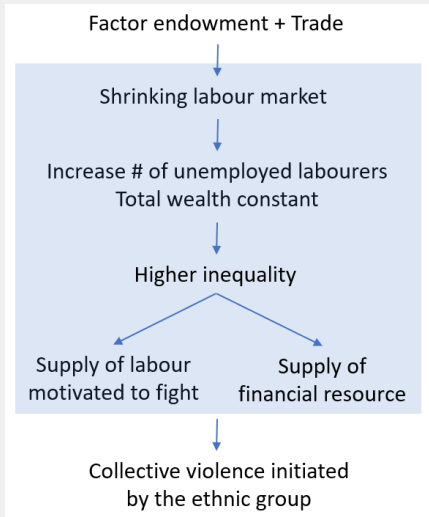- **Community :** Solidarity - Ethnic Group (not Social Class)
- **Market :** Selective Incentive - Cost/Benefit Calculus

Within-group Inequality (cf. Horizontal Inequality) (Info)

- **[Community]** Channel = Ethnic group
- **[Market]** Cost/benefit = Hierarchical condition
  - ▶ Specializing the provision of public goods
  - ▶ Labourer from the unemployed and funds from the elites

Channels and Mechanism of Mobilization

Factor endowment + Trade

↓

Shrinking labour market

↓

Increase # of unemployed labourers
Total wealth constant

↓

Higher inequality

↓   ↓

Supply of labour   Supply of
motivated to fight   financial resource

↓

Collective violence initiated
by the ethnic group

■ **Supply of Labour**
  ► Lower opp.cost for the
    unemployed to fight

■ **Supply of Resource**
  ► Contest theory +
    Neutrality theorems
  ► Elites (Richer) - Expected
    larger share of the
    return + Better position

■ **Hypothesis 2:** A higher
  unemployment rate within the
  ethnic group while holding
  aggregate wealth constant →
  Higher prob. conflict initiated
  by the group.

Empirical Analysis

Causation Does Inequality Cause Civil Conflict?

$$\textbf{H1} \quad \left(\frac{R}{L} \times \frac{1}{\text{tariff}} \right) \;\propto\; \Delta \frac{P_R^t}{P_L^t} \;\propto\; G \;\propto\; L_A$$

IV Method Isolating Exogenous Variation in Inequality

$$G_{ct} = \alpha \left(F_{ct} \times \frac{1}{T_{ct}} \right) + X_{ct}\Pi + \delta_c + \theta_t + \lambda_c Y_t + \varepsilon_{ct}$$

$$C_{ct} = \beta \hat{G}_{ct} + X_{ct}\Pi + \delta_c + \theta_t + \lambda_c Y_t + \epsilon_{ct}$$

- Inequality (Gini coefficient, G_{ct}): Gini coefficient in Country c in Year t
- Instrument ($F_{ct} \times (1/T_{ct})$): Factor endowment × (1/tariff rate)
- Civil Conflict Onset (C_{ct}): Armed conflict with 25+ casualties
- Controls (X_{ct}): All controls prominently cited in previous literature

Components of Instrumental Variable More info

- Land: Area of Agricultural Land (Temporary cultivation + Potentially cultivable but not temporary cultivated)

- Labour: Working Age Population (15-64)

- Tariff: Simple Average Tariff for All Traded Products

- (Agricultural Land/Working-age Population) $\times$ (1/Tariff)

To Satisfy Conditions of Instrument

- Exogeneity: Selecting Measures and Including Fixed Effects

- Relevance: Controlling Gross Capital, Rents, Population and Population density

Data: Cross Country-Year Analysis

VARIABLES	(1) Mean	(2) Std. Dev	(3) Min	(4) Max
Onset of Civil Conflict	0.0448	0.207	0	1
ln (Death)/ ln (Population)	0.0585	0.132	0	0.663
Gini Coefficient[1]	0.384	0.0849	0.175	0.670
Tariff rate	9.036	7.447	0.0400	105.4
Agricultural Land (1000 ha)	25,851	67,743	0.300	528,635
Population 15-64	2.243e+07	8.750e+07	39,196	9.960e+08
Factor Endowments x (1/ tariff)	0.00106	0.0346	5.46e-07	1.811
Gross capital formation (percent GDP)	23.26	8.362	-2.424	67.91
ln GDP per capita	7.998	1.634	4.546	11.69
GDP growth rate (annual percent)	2.148	6.544	-65.00	140.5
Fuel export (percent of merchandise exports)	15.29	26.04	0	99.97
Total natural resource rent (percent of GDP)	7.554	11.69	0	82.59
Net Foreign Direct Investment	-3.439e+08	1.763e+10	-2.320e+11	1.770e+11
Polity Score	2.860	6.754	-10	10
ln Population	15.40	2.193	9.077	21.04
Population Density	168.8	490.6	0.136	7,807
ln Mountaineous terrain	2.151	1.414	0	4.421
Intake of Primary Education	102.1864	21.23117	23.49629	260.9783
Ethnic Fractionalization	0.406	0.281	0.00100	0.925
Employment to Population ratio	57.55	11.41	29.18	89.24

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[1] The data is from the Standardized World Income Inequality Database SWIID

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable:	Civil Conflict Onset					
Panel A: OLS estimates						
Gross Income Inequality	0.064	-0.016	-0.029	0.190	0.179	0.458
	(0.048)	(0.051)	(0.064)	(0.292)	(0.376)	(0.416)
Panel B: Reduced Form						
Factor Endowments x (1/tariff)	-0.019***	-0.006	-0.0005	0.010*	0.022*	0.021*
	(0.006)	(0.008)	(0.008)	(0.006)	(0.012)	(0.011)
Panel C: SLS estimates						
Gross Income Inequality	0.738*	-0.009	0.012	0.631*	**1.806****	**1.791****
	(0.420)	(0.107)	(0.110)	(0.371)	(0.784)	(0.745)
Dependent variable:	Gross Income Inequality					
Panel D: First Stage estimates						
Factor Endowments x (1/tariff)	-0.0207***	-0.0666***	-0.0783***	0.0187***	0.0173***	0.0174***
	(0.0077)	(0.0109)	(0.01482)	(0.0009)	(0.0013)	(0.0014)
Kleibergen-Paap F-statistic	5.517	46.31	27.63	311.5	190.1	173.2
Number of countries	147	125	106	147	125	111
Observations	2,297	1,945	921	2,297	1,945	1,477
Contrl	NO	YES	YES	NO	YES	YES
Edu.Contrl	NO	NO	YES	NO	NO	YES
Country FE	NO	NO	NO	YES	YES	YES
Year FE	NO	NO	NO	YES	YES	YES
Country Specific Time Trend	NO	NO	NO	YES	YES	YES

	Main Specification	
	(5)	(6)
Dependent variable: Panel A: OLS estimates	Civil Conflict Onset	
Gross Income Inequality	0.179 (0.376)	0.458 (0.416)
Panel B: Reduced Form		
Factor Endowments x (1/tariff)	**0.022*** (0.012)	**0.021*** (0.011)
Panel C: SLS estimates		
Gross Income Inequality	**1.806**** (0.784)	**1.791**** (0.745)
Dependent variable: Panel D: First Stage estimates	Gross Income Inequality	
Factor Endowments x (1/tariff)	**0.0173***** (0.0013)	**0.0174***** (0.0014)
Kleibergen-Paap F-statistic	**190.1**	**173.2**
Number of countries	125	111
Observations	1,945	1,477
Contrl	YES	YES
Edu.Contrl	NO	YES
Country FE	YES	YES
Year FE	YES	YES
Country Specific Time Trend	YES	YES

2SLS Estimates

- Identify Causal Impact of Inequality on Conflict
- Cote d'Ivoire (Gini: 0.368) vs. Congo (Gini: 0.452) in 2005: Approx. 1.5 times greater risk in Congo
- Similar magnitude with the causal effect of GDP growth (Miguel et al, 2004)

First Stage Estimates

- F-stat $\gg$ 10, Strong relevance $\rightarrow$ Consistent 2SLS estimate
- The change in labour market driven by trade is a strong predictor of inequality variation

	Baseline (1)	Battle Death (2)	Net Income (3)	Non-Western (4)	Low income (5)
Panel A: OLS estimates					
Income Inequality	0.179	-0.255	0.342	0.296	0.381
	(0.376)	(0.249)	(0.253)	(0.487)	(0.535)
Panel B: Reduced Form					
Factor Endowments x (1/tariff)	0.022*	0.012**	0.022*	0.028**	0.029*
	(0.012)	(0.005)	(0.012)	(0.013)	(0.015)
Panel C: SLS estimates					
Income Inequality	**1.806****	**0.704****	**2.830****	**2.198*****	**1.979****
	(0.784)	(0.337)	(1.435)	(0.828)	(0.802)
Panel D: First Stage estimates					
Factor Endowments x (1/tariff)	0.017***	0.017***	0.009***	0.018***	0.019***
	(0.001310)	(0.001310)	(0.001850)	(0.001412)	(0.001528)
Kleibergen-Paap F-statistic	190.1	190.1	29.07	173.2	155.7
Number of countries	125	125	125	104	104
Observations	1,945	1,945	1,891	1,451	1,275
Contrl	YES	YES	YES	YES	YES
Country FE	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES
Country Specific Time Trend	YES	YES	YES	YES	YES

Robustness Check

VARIABLES	(1) Capital	(2) Tech	(3) Politics	(4) Tech and Capital	(5) Politics and Capital	(6) Full
Inequality	**2.163****	**2.759***	**2.436***	**2.575****	**2.044****	**2.478****
	(1.045)	(1.411)	(1.458)	(1.111)	(1.032)	(1.091)
Net ODA	0.001			0.001	0.00023	-0.00017
	(0.001)			(0.001)	(0.006)	(0.00048)
Net Financial Account	1.14e-12***			1.18e-12***	1.16e-12***	1.18e-12***
	(3.92e-13)			(3.27e-13)	(4.04e-13)	(3.45e-13)
Remittance	1.33e-12			1.69e-12	1.40e-12	1.65e-12
	(3.20e-12)			(2.83e-12)	(3.43e-12)	(3.15e-12)
Net National Incom	-4.68e-06			-4.37e-07	-7.17e-06	-2.68e-06
	(.000011)			(9.65e-06)	(.00001)	(9.28e-06)
High-technology exp		4.24e-13		2.71e-13		0.000
		(5.05e-13)		(0.000)		(5.34e-13)
Regulation of Execut' Recruit			0.022		0.115*	0.112*
			(0.092)		(0.062)	(0.062)
Competitiven' of Execut'			0.010		-0.040	-0.040
			(0.065)		(0.045)	(0.045)
Regulation of Participat'			0.009		0.046	0.053
			(0.028)		(0.038)	(0.037)
Competitiven' of Participat'			0.004		-0.003	-0.013
			(0.023)		(0.023)	(0.022)
Observations	1,037	1,709	1,706	1,031	1,023	1,017
R-squared	0.213	0.138	0.186	0.187	0.241	0.219
KP F-Stat	84.55	125.5	111.5	102.6	80.05	95.17
Fixed & Contrls	YES	YES	YES	YES	YES	YES

Falsification Test

	(1) tariff, t-3	(2) tariff, t-2	(3) tariff, t-1	(4) **tariff, t**	(5) tariff, t+1	(6) tariff, t+2	(7) tariff, t+3
Dependent variable:				Civil Conflict Onset			
Panel A: Reduced form							
Factor Endowments x (1/tariff)	-0.005	-0.006	-0.002	**0.023***	0.005	0.002	0.011
	(0.017)	(0.020)	(0.014)	(0.012)	(0.013)	(0.019)	(0.023)
Panel B. 2SLS estimates:							
Gross Income Inequality	-3.373	-1.575	-0.952	**1.806****	2.362	1.928	-4.410
	(2.051)	(1.766)	(1.374)	(0.784)	(2.459)	(2.940)	(3.503)
KP F-Stat	17.65	57.64	66.15	**190.1**	21.19	22.18	18.30
Observations	1,672	1,707	1,730	1,736	1,672	1,610	1,548
Contrl	YES	YES	YES	YES	YES	YES	YES
Country FE	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES
Country Specific Time Trend	YES	YES	YES	YES	YES	YES	YES

Exclusion Restriction Condition of IV

- Fixed Effects Year F.E & Country-Specific time trend address *Spurious Time Trend*
- No effects on Placebo Treatments: Civil Conflict Variation Only Corresponds to Tariff, not any other concurrent events

Subject Whose Opportunity Cost and By Which Channel?

Assumptions the Unemployed and the Ethnic Group

Sub-Group Heterogeneous Effect Conditional on the Contexts

$$C_{ct} = \beta(G_{ct} \times D_{ct}) + X_{ct}\Gamma + \gamma_c + \delta_t + \lambda_c Y_t + \epsilon_{ct}$$

- Subgroup D_{ct} : Dummies divided by the median value of 'Employment rate' or 'Ethnic Fractionalization'

Heterogeneous Analysis

Intensity (Low < Median < High)	Baseline (1)	Employment rate (15-64)		Ethnic Fractionalization	
		(2) **Low**	(3) High	(4) Low	(5) **High**
Panel A: 2SLS estimates					
Gross Income Inequality	1.806**	**2.737****	0.738	-1.528	**2.364***
	(0.784)	(1.339)	(2.752)	(1.498)	(1.243)
KP F-Stat	190.1	**56.24**	1.166	2.243	**73.70**
Panel B: Reduced form					
Factor Endowments x (1/tariff)	0.022*	**0.080****	-5.910	6.723	**0.042***
	(0.012)	(0.032)	(6.194)	(10.433)	(0.023)
Number of countries	125	69	70	54	56
Observations	1,945	928	961	1,123	797
		Samples exl. Western Europe and North America			
Panel C: 2SLS estimates					
Gross Income Inequality	2.198***	**3.540****	-0.143	-0.852	**3.304****
	(0.828)	(1.454)	(3.403)	(2.957)	(1.337)
KP F-Stat	173.2	**62.93**	1.241	1.681	**53.92**
Panel D: Reduced form					
Factor Endowments x (1/tariff)	0.028**	**0.093****	-8.928	-1.574	**0.058****
	(0.013)	(0.035)	(8.730)	(23.631)	(0.024)
Number of countries	104	55	57	39	52
Observations	1,451	722	741	766	706
R-squared	0.177	0.217	0.272	0.219	0.224
Controls	YES	YES	YES	YES	YES
Country FE	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES
Country Specific Time Trend	YES	YES	YES	YES	YES

Intensity (Low < Median < High)	Employment (1) **Low**	Ethnic (2) **High**
Panel A: 2SLS estimates		
Gross Income Inequality	**2.737****	**2.364***
	(1.339)	(1.243)
KP F-Stat	**56.24**	**73.70**
Panel B: Reduced form		
Factor Endowments x (1/tariff)	**0.080****	**0.042***
	(0.032)	(0.023)
Controls	YES	YES
Country FE	YES	YES
Year FE	YES	YES
Country Specific Time Trend	YES	YES

Main Agent of Initiating Conflict

- Whose opp.cost? **the Unemployed** motivated to fight.

- Which channel? **Ethnic group** Channel of mobilizing collective action

- Factor endowment & trade → Changes in Labour Market → Inequality (First-stage estimates) → Agent: the Unemployed and the Ethnic group (Sub-group analysis) → Internal Conflict

Identification Strategy 2: Mobilizing Effect

Mechanism What Characteristics of the Ethnic Group allows the Ethnic Group to Mobilize Collective Violence?

H2 Within-Ethnic Group Inequality

**Method** Estimating the Effect of the Unemployed While holding Total Wealth Constant

$$C_{ec} = \beta U_{ec} + \gamma A_{ec} + X_{ec}\Theta + \eta_c + \psi_r + \varepsilon_{ec}$$

- Civil Conflict Initiated by the Ethnic group e in Country c (C_{ec})
- Unemployment Rate Within the Ethnic group e in Country c (U_{ec})
- Aggregate Wealth of the Ethnic Group e in Country c (A_{ec})

Merging Data

- UCDP data (rebellion-govt)
    - ▶ Identified ethnic groups joined in the rebellion
- EPR data
    - ▶ Ethnic total wealth, geographical location and etc
- International IPUMS census data (obs: 100 millions)
    - ▶ Status of employment, residential area, ethnicity, religion etc.
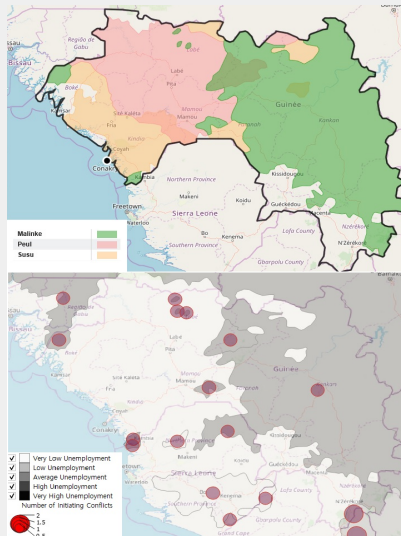
Data: Within-Ethnic Group Analysis

VARIABLES	(1) Mean	(2) Std.Dev	(3) Min	(4) Max
	A. Conflict Measures (1988-2015)			
Average of Civil Conflict Onset 1988-2015	0.00384	0.0147	0	0.107
Average of Conflict Incidence 1988-2015	0.0296	0.130	0	0.929
	B. Unemployment Measures			
Unemployment Rate	0.0890	0.112	0	0.544
Unemployment Rate in Rural area	0.0445	0.0636	0	0.372
Unemployment Rate in Urban area	0.0641	0.0715	0	0.383
Aggregated Night Light	433,748	1.805e+06	5.000	1.959e+07
Average of Ethnic-level GDP 1990-2005	64.59	285.2	0.00618	3,149
	C. Demographic Characteristics			
Rural Residence	0.602	0.269	0.0207	0.991
Martial Status	0.675	0.0886	0.380	0.915
Education Attainment	1.911	0.530	1.049	3.348
Literacy	2.109	3.552	1.100	34.33
Age	33.02	4.269	0.491	42.22
Sex	0.511	0.0831	0.169	1
Number of Child	1.335	0.388	0.0795	2.694
Ethnic Group's Population Portion	0.178	0.284	1.12e-05	0.981
Proportion of Christian	0.557	0.391	0	1
Proportion of Muslim	0.237	0.375	0	1
Proportion of Hindu	0.0140	0.0989	0	1
Proportion of Buddhist	0.0444	0.190	0	1
Proportion of Other religions	0.0575	0.160	0	1

Findings: Within-Ethnic Group Analysis

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable:	Average of Conflict Initiation from 1988-2015					
Unemployment	**0.131***	**0.132***	**0.135***	**0.237****	**0.237****	**0.233****
	(0.065)	(0.066)	(0.068)	(0.075)	(0.076)	(0.062)
GDP of ethnic group	5.22e-06		-0.0001	0.00003*		0.00016
	(6.33e-06)		(0.0016)	(0.000013)		(0.0027)
Night Light		8.68e-10	1.31e-08		3.75e-09*	-2.18e-08
		(1.01e-09)	(2.45e-08)		(2.00e-09)	(4.24e-08)
Demographic controls:						
Rural residence	0.015	0.016	0.014	0.032	0.031	0.039
Age	0.002	0.002	0.002	0.010	0.010	0.010
Sex	-0.034	-0.038	-0.038	0.060	0.055	0.042
Literacy	-0.015	-0.014	-0.013	-0.009	-0.008	-0.008
Years of education	0.018	0.018	0.017	0.036	0.034	0.036
Martial status	-0.069	-0.071	-0.068	-0.244	-0.244	-0.274
Number of child	0.019*	0.019*	0.019*	0.058**	0.058**	0.059**
Population	2.2e-10	1.84e-10	5.53e-10	1.95e-09	2.12e-09	1.36e-09
Proportion of Population	-0.014	-0.013	-0.015	-0.029	-0.029	-0.025
Observations	94,068,879	94,068,879	94,068,879	85,125,936	72,483,049	72,483,049
Included ethnic groups	144	143	143	85	84	84
R-squared	0.452	0.452	0.455	0.555	0.553	0.559
Religion FE	**NO**	**NO**	**NO**	**YES**	**YES**	**YES**
Country FE	YES	YES	YES	YES	YES	YES

	Within-Group Inequality Models			Horizontal Inequality Models		
	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable:	Average of Conflict Initiation from 1988-2015					
Unemployment	**0.237*****	**0.237*****	**0.233*****			
	(0.075)	(0.076)	(0.062)			
GDP of ethnic group	0.00003*		0.00016	**4.23e-06**		**0.002**
	(0.000013)		(0.0027)	(0.000013)		(0.00034)
Night Light		3.75e-09*	-2.18e-08		**2.49e-10**	**-2.97e-08**
		(2.00e-09)	(4.24e-08)		(3.09e-09)	(5.67e-08)
Observations	85,125,936	72,483,049	72,483,049	85,125,936	72,483,049	71,777,299
Included ethnic groups	85	84	84	85	84	84
R-squared	0.555	0.553	0.559	0.490	0.490	0.498
Demographic Contrls	YES	YES	YES	YES	YES	YES
Country FE	YES	YES	YES	YES	YES	YES
Religion FE	YES	YES	YES	YES	YES	YES

Significant and Substantial Mobilizing Effect of Within-Ethnic Group Inequality

- While holding total wealth constant, 1 p.p increase in the unemployed raises 53% increase of the sample mean of civil conflict initiated by this ethnic group

- No effects on total wealth: Absolute poverty of ethnic group is not associated with the probability of conflict initiation.

Conclusion

Contributions
- Empirically Prove the Causal Effect of Inequality on Internal Conflict
- Identify the Channel & Mechanism
  - ▶ Provide empirical evidence for within-group inequality
  - ▶ Case studies: Rich Elites Provoking Conflict + Rural Unemployed Youth Recruited as Combatants (e.g. Rwanda, Sri Lanka, and India Details)
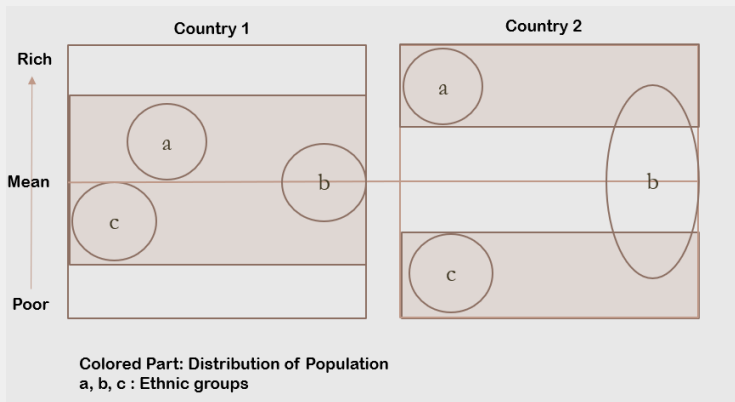
Policy Implications
- Trade-induced inequality - Rational approach to resolve the conflict
- Aid Policy: Raising industry's capacity of absorbing labours

Horizontal inequality vs. Within-group inequality back

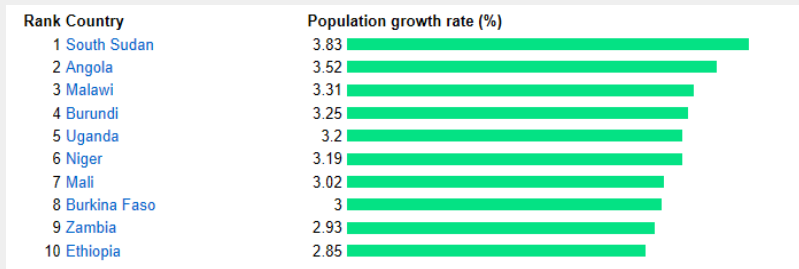Colored Part: Distribution of Population
a, b, c : Ethnic groups

Inequality between ethnic groups `back`

- Motivation: Grievance by intergroup comparison
- Mobilization: Solidarity shared in ethnic group
- Channel/Mechanism - Deprived ethnic group more likely to initiate the conflict

Variation of instrument driven largely by population change back

- ■ Africa - Land rich and High Population Rates
- ■ Underestimate the effect of factor endowment on civil conflict

Rank	Country	Population growth rate (%)
1	South Sudan	3.83
2	Angola	3.52
3	Malawi	3.31
4	Burundi	3.25
5	Uganda	3.2
6	Niger	3.19
7	Mali	3.02
8	Burkina Faso	3
9	Zambia	2.93
10	Ethiopia	2.85

Endogeneity Problem: Factor endowment (land or population) reduced by the conflict back

- Land including cultivable area as well as temporarily cultivated ones
- Civil conflict death: Average of 15-64 population is 20 million
- the median of of battle death is 205 and the average of battle death is 1143
- Controlling total population and population density

SWIID Dataset `back`

- Use *mi estimate* But, not support IV estimation
- Different versions cover different periods
- Tariff data covers upto 1988 - missed in the recent version
- Gap between 1994 in SWIID 3 and 1995 in SWIID 7 indices

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- Construct imputed data based on SWIID covering 1970-2010
- Select the most similar Gini index in SWIID 7 with the imputed data of SWIID 3
- Connect the omitted time trend

Robust Check with mean and median indices

VARIABLES	(1) Gini Index	(2) Gini Index	(3) Average Gini	(4) Average Gini	(5) Median Gini	(6) Median Gini
Gini coeffient	**1.905***	**1.686***	**10.269****	**9.751***	**11.017***	**10.371***
	(1.003)	(1.000)	(5.141)	(5.576)	(5.696)	(6.013)
Net financial account	5.61e-13	5.86e-13	3.69e-13	4.00e-13	3.41e-13	3.74e-13
	(3.45e-13)	(3.42e-13)	(3.69e-13)	(3.64e-13)	(3.71e-13)	(3.60e-13)
Personal remittances, received	-1.79e-12	-1.77e-12	-3.33e-12	-2.67e-12	-3.37e-12	-2.99e-12
	(2.88e-12)	(2.79e-12)	(5.45e-12)	(5.23e-12)	(5.81e-12)	(5.58e-12)
Adjusted net national income_pc	-5.99e-07	-3.01e-07	-1.43e-06	-1.03e-06	-1.18e-06	-1.01e-06
	(8.63e-14)	(1.11e-06)	(2.38e-06)	(2.29e-06)	(2.53e-06)	(2.41e-06)
Executive (Exct) Constraints		-0.021		-0.050		-.0558
		(0.037)		(0.041)		(0.044)
Regulation of Chief Exct Recruitm't		0.057		0.039		0.011
		(0.074)		(0.080)		(0.084)
Competitiveness Exct Recruitm't		0.008		-0.013		0.032
		(0.076)		(0.077)		(0.062)
Openness of Exct Recruitm't		-0.025		-0.009		-0.024
		(0.031)		(0.030)		(0.020)
KP F-Stat	126	119.3	8.752	7.236	8.283	6.769
Observations	1,679	1,665	1,679	1,665	1,679	1,665
R-squared	0.181	0.207	0.014	0.059	-0.019	0.030
Controls	YES	YES	YES	YES	YES	YES
Country FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Country Specific Trend	YES	YES	YES	YES	YES	YES

Real World Cases

Case Studies back

- Supply of Labour from the Unemployed
  - ▶ The poor unemployed Hindu youth in India (Gujarat, 2002)
  - ▶ 'Lumpen-proletariat' in Rwanda (Huggins et al, 2004)
  - ▶ Rural youth from the poorest family in Sri Lanka (Kapferer, 1998)
- Supply of financial Resources from Elites
  - ▶ Rich Elites Provoke Conflict to gain, maintain or increase their hold on political power (Horowitz, 1985; Fearon & Laitin, 2000)
  - ▶ Funds contributed by elites beyond borders (Anderson, 1992)