Crisis Prevention: Tackling Horizontal Inequalities

FRANCES STEWART

ABSTRACT This paper analyses the economic and social causes of conflict, drawing conclusions for conflict prevention. Civil wars normally occur when groups mobilize against each other, on the basis of some cultural characteristic like ethnicity or religion. It is suggested that horizontal inequalities, i.e. inequalities among groups in political, economic and social dimensions, provide the basis for inter-group animosity. Policies to limit excessive horizontal inequalities are needed in all vulnerable countries.

1. Introduction

Civil wars are a major source of poverty. Eight of the 10 countries with the worst human development index (HDI), and similarly eight out of 10 countries with the lowest GNP per capita, have had major civil wars in the recent past.1 About half of low-income countries have been subject to major political violence. Causality works both ways, as low incomes lead to conditions that are conducive to violence.2 But the evidence suggests that major civil wars are associated with markedly worse performance in economic growth, food production per capita and human indicators, such as infant mortality rates, school enrolment, and so on.3 Hence, any comprehensive strategy to tackle poverty must give the prevention of conflict a central place. Yet in the past this has not been so. Conflict prevention has, of course, been regarded as desirable as a political objective, but it has not been part of the poverty reduction or human development agendas. For example, the World Bank’s Poverty Reduction Strategy documents do not deal centrally (and often not at all) with this issue, nor has the UNDP’s Human Development Report treated it as a focal point (UNDP, various years; World Bank, 1998; Binswanger & Landell-Mills, 1995). Partly for this reason, development strategies in general and anti-poverty policies in particular have tended to neglect issues related to conflict. Yet recognizing prevention as central for poor societies may alter the design of policies substantially. The aim of this paper is to explore how economic and social policy-making would be affected by focusing on conflict prevention, in addition to other development questions, in low-income countries.

This paper starts from the premise that crisis prevention is essential for poverty reduction as well as to alleviate immediate human suffering; and that policies aimed at reducing political violence are needed for all low-income countries given their high propensity to strife. Similar policies are also needed for some middle-income countries, but the incidence of civil war is substantially lower among them, partly reflecting the fact that they succeeded in becoming middle-income because they had avoided conflict.

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Hence, for the middle-income countries, special crisis-prevention policies may be needed only in particularly vulnerable cases.

The aim of the paper is to suggest how introducing crisis-prevention into policy-making would alter the “normal” design of policy for low-income countries. It does so first by some general analysis of conflict, partly drawn from the findings of a recent research programme into its economic and social causes; secondly, by elucidating the concept of horizontal inequalities, as a key element in understanding and preventing conflict; and thirdly, by providing an overview of the policy recommendations that emerge from the analysis.

2. Motivation, Mobilization and Conflict

The human motivation of the participants is clearly at the heart of any violent situation. If a conflict is to be avoided or stopped, this motivation must be understood, and the predisposing conditions reduced or eliminated. This section aims to sketch elements that determine motivation. While the focus is on economic motivation, other factors (political, cultural) are also obviously of importance. In fact, it is rarely possible to disentangle political, cultural and economic elements, as each is embedded in the other.

The situations with which we are concerned are organized group conflicts: that is to say, they are not exclusively a matter of individuals randomly committing violence against others. What is involved is group mobilization, and we therefore need to understand its underlying motivation. Groups are here defined as collections of people who, for certain purposes, identify with each other as against those outside the group, normally also agreeing on characteristics and membership of some other group with whom they are in conflict. Group organization may be quite informal, but it exists, implying that there is a degree of agreement (often implicit) on purposes and activities within the group. Normally there are those within any group that instigates conflict who lead or orchestrate the conflict, including contributing to the construction or reinforcement of group identity in order to achieve group mobilization; and those who actively carry out the fighting, or give it some support. For shorthand, we shall call these two categories leaders and followers, though there can be considerable overlap between the two. The violence is generally instrumental, used in order to achieve other ends. Usually, the declared objective is political—to secure or sustain power—while power is wanted for the advantages it offers, particularly the possibilities of economic gains. However, especially as wars persist, political motivation may disappear or become less important, and the wars are increasingly pursued for the economic advantages conferred directly on those involved, for example, the gain from looting. But even then conflicts remain predominantly group activities. The group element, and the fact that the conflicts are instrumental, usually with political objectives, differentiate them from crime, though in the extreme case where fighting parties have disintegrated into gangs whose efforts are devoted to maximizing their short-run economic gains, the distinction between crime and conflict becomes blurred (see Keen on Sierra Leone, for example).

Accepting that groups are central, the question is why and how they are mobilized. In order to mobilize groups there must be some way in which they are differentiated one from another. Studies show a number of different contemporary examples. In central Africa, ethnic identity has been the major source of group definition and mobilization; in Central America, group identification and organization was along class lines, but with some overlapping ethnic dimensions; in Somalia, the cultural source of group differentiation and mobilization was the clan (different lineages within broadly the same ethnic group); in Northern Ireland and the Balkans religion is the major
The question of how groups are formed and when they become salient is complex and contested, and cannot be treated adequately here.\(^7\) The view adopted in this paper is that group identity is “constructed” by political leaders, who find group cohesion and mobilization a powerful mechanism in their competition for power and resources, adopting a strategy of “reworking of historical memories” to engender group identity. Numerous examples have shown how “ethnicity was used by political and intellectual elites prior to, or in the course of, wars” (Alexander \textit{et al.}, p. 5). Yet, as Turton points out, “neither the constructedness nor the instrumentality of ethnicity [or other similar sources of identity which are used to make groups cohere such as religion or class] can be explained unless we are prepared to see it as an independent as well as a dependent variable in human affairs” (Turton, 1997, p. 84; and see Smith, 1988). Some shared circumstances are needed for group construction, e.g. speaking the same language, sharing cultural traditions, living in the same place, or facing similar sources of hardship or exploitation. Past group formation, although possibly constructed for political purposes at the time, also contributes to present differences. Hence, what was a dependent variable at one point in history can act as an independent variable in contributing to current perceptions.\(^8\)

For the emergence of group conflict, a degree of similarity of circumstance among potential members is not by itself enough to bring about group mobilization. Several other conditions must be present. Leaders must see the creation or enhancement of group identity as helpful to the realization of their political ambitions and work actively to achieve this, using a variety of strategies, including education or propaganda. In many cases, it has been shown that political leaders set out to create group consciousness in order to achieve a basis for power. Lonsdale has argued that in Kenya conflict between political elites for state (and hence economic) power led to the emergence of “political tribalism” (Lonsdale, 1990). Government policies, particularly towards education, frequently play a role by discriminating in favour of some category and against others. The story of how differences between the Hutu and Tutsi were possibly created and certainly strongly enhanced by colonial and post-colonial governments is powerfully illustrated in studies of Burundi and Rwanda.\(^9\) In the Rwanda case, the interhamwe—the extremist leaders of the Hutu massacre of the Tutsi—deliberately and efficiently cultivated Hutu consciousness and fear of Tutsi for several years before the disaster. Some group mobilization is a defensive reaction, in response to discrimination and attacks by others. Often people do not recognize themselves as members of a group until this is “pointed out” by outsiders. However, differences in actual underlying conditions with respect to political control and economics are important for the development of group identity and mobilization. Without such inequalities, group identification is likely to be weak and remain a cultural rather than political or conflict-creating phenomenon.

The hypothesis is that in any society there are some differences in individuals’ circumstances—including cultural, geographic, economic—which provide the potential for the construction of group identity as a source of political mobilization. Political leaders, in government or outside, may use this potential in their competition for power and resources, in the course of which they enhance group identification by reworking history and introducing new cultural symbols. However, cultural differences alone are not sufficient to bring about violent group mobilization. As Cohen points out “Men may and do certainly joke about or ridicule the strange and bizarre customs of men.
from other ethnic groups, because these customs are different from their own. But they
do not fight over such differences alone. When men do, on the other hand, fight across
ethnic lines it is nearly always the case that they fight over some fundamental issues
concerning the distribution and exercise of power, whether economic, political, or both” (Cohen, 1974, p. 94).

Economic and political differentiation among groups is then of fundamental import-
ance to group mobilization. This is the reason that relative, rather than absolute,
position is more often observed to be the underlying determinant of conflict (Gurr,
1993). If a whole society is uniformly impoverished, there may be despair, but there is
no motivation for group organization. Even if political leaders hoped to use group
mobilization as a source of power, they would find it difficult to secure sufficient
response among followers without some underlying economic differences among the
people they hoped to mobilize. Hence, in general if there is group conflict, we should
expect sharp economic differences between conflicting groups associated (or believed to
be associated) with differences in political control.

Relevant economic differences vary according to the nature of the economy (e.g.
land may be irrelevant in modern urban societies and employment relevant, but the
converse could be true in rural-based economies). Although the prime cause of conflict
arises from inequalities among groups, i.e. their relative position, the absolute situation
may also be relevant, since an absolute deterioration in conditions may force attention
on to the relative situation (e.g. when water becomes a scarce resource people may fight
over it, but not when it is plentiful), while, conversely, when incomes/resources are
increasing people may be expected to mind less about their relative position. The latter
situation obtained in Kenya in the 1960s and 1970s and has been argued to be one
reason why persistent relative inequality among tribal groups did not result in large-
scale conflict (Klugman, 2000). But in some contexts, if improvements are regarded as
being unfairly shared, they can also give rise to conflict, as in Nigeria in the late 1960s.

Political power is an important instrument of economic power, setting the rules and
determining allocation of employment, of government economic and social invest-
ments, and of incentives for private investment. In general, one would expect that
political power would be a more compelling means of securing (or conversely being
deprived of) economic resources, the greater the role of government in the economy,
and especially the more its discretionary power. It is plausible to argue that the role of
the state relative to the market, as well as the discretionary decisions of government,
may initially increase and are then likely to fall as development proceeds. In very
underdeveloped societies, government expenditure and employment is low, but in-
creases alongside government’s discretionary economic power as countries industrial-
ize. During later stages of industrialization, the market tends to take a larger role and
government decisions are less discretionary and more rule-based. This would suggest
that struggles to control state power might be greatest in the middle stages of develop-
ment.

It should be noted that it is not necessarily the relatively deprived who instigate
violence. The privileged may do so, fearing loss of position. For example, the prospect
of possible loss of political power can act as a powerful motive for state-sponsored
violence which occurs with the aim of suppressing opposition and maintaining power.
Since the government has access to an organized force (police/army) and to finance,
state terrorism is sometimes an important source of humanitarian emergencies. This
was the case, for example, in most of the major episodes of violence in Uganda, in
Haiti, and in Iraq’s suppression of the Kurds. Holsti points out that state violence is
more often than not the initiating cause in recent conflicts (Holsti, 2000).
In many societies some level of organized violence persists over very long periods. Given underlying conditions conducive to it, there may be low-level struggle for certain periods, and then periods of fighting on a greater scale (civil war), sometimes culminating in major catastrophes. The memory of violence then contributes to group identification, animosities and mobilization, increasing the likelihood of future conflict. Auvinen and Naiziger have shown this statistically, with a significant positive correlation between past and current violence. Such a long history of violence of fluctuating strength appears to have occurred in many recent cases, e.g. Somalia, Rwanda, Burundi. Hence, a full understanding of causes must include an explanation of both the underlying vulnerability to conflict and the particular triggers that led to a sharp escalation. Preventative policies should address both the underlying causes and the “trigger”. The trigger often takes the form of some political event (e.g. a coup) in a situation of high vulnerability.

2.1 Dimensions of Differentiation in the Political, Economic and Social Position of Groups

Leaders often seize on, change and exaggerate cultural or religious differences—or symbolic systems—as a mechanism of group mobilization. But it is suggested here that to make these symbolic systems “work” effectively in the mobilization of violence, it is necessary that there are parallel differences in political and/or economic dimensions. We define these differences as horizontal inequalities. For simplification, we can categorize the latter into four areas: political participation; economic assets; incomes and employment; and social aspects. Each of these contains a number of elements. For example, political participation can occur at the level of the cabinet, the bureaucracy, the army and so on; economic assets comprise land, livestock, human capital and so on.

The four categories and the main elements are presented in Table 1, with a column for each category. Each of the categories is important in itself, but most are also instrumental for achieving others. For example, political power is both an end and a

<table>
<thead>
<tr>
<th>Categories of differentiation</th>
<th>Political parties</th>
<th>Economic assets</th>
<th>Employment and incomes</th>
<th>Social access and situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examples of elements of categories</td>
<td>Government ministers, senior</td>
<td>Land</td>
<td>Government</td>
<td>Education</td>
</tr>
<tr>
<td></td>
<td>Government ministers, junior</td>
<td>Livestock</td>
<td>Private</td>
<td>Health services</td>
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<td></td>
<td>Army</td>
<td>Human capital</td>
<td>“Elite” employment</td>
<td>Safe water</td>
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<td></td>
<td>Parliament</td>
<td>Minerals</td>
<td>“Rents” skilled</td>
<td>Housing</td>
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<td></td>
<td></td>
<td>Privately owned capital/credit</td>
<td>Skilled</td>
<td>Unemployment</td>
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<tr>
<td></td>
<td></td>
<td>Government infrastructure</td>
<td>Unskilled</td>
<td>Poverty</td>
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<td></td>
<td>Security against theft</td>
<td>Informal sector opportunities</td>
<td>Personal and household security</td>
</tr>
</tbody>
</table>

Table 1. Sources of differentiation among groups
means; control over economic assets is primarily a means to secure income but it is also an end. Clearly, as noted earlier, the relevance of an element varies according to whether it forms an important source of incomes or well-being in a particular society. The allocation of housing, for example, is generally more relevant in industrialized countries, where high-quality accommodation is expected and government plays a role in its provision, in contrast to societies where most people construct their own basic accommodation, while land is of huge importance where agriculture accounts for most output and employment. Water, as a productive resource, can be very important in parts of the world where rainwater is inadequate. Access to minerals can be a source of great wealth, and gaining such access an important source of conflict in countries with mineral resources (see Fairhead, 2000, Reno, 2000).

Evidence from histories of conflicts shows that group inequalities on the political dimension are virtually universal, and that they tend to arise in each of the elements identified in the matrix. It must be noted that democratic institutions are not sufficient to prevent such political inequalities, partly because majorities can discriminate against minorities, and partly because even with “shared” power at the top, inequalities may persist at lower levels. Inequalities in political power often lead to (and/or stem from) similar inequalities in economic dimensions. Biased distribution of government jobs, infrastructure and so on is common with the group in power discriminating in its favour. For example, in Burundi in the 1990s, half of government investment went to Bujumbura and its vicinity, home of the élite Tutsi. In some countries, the President and his coterie take a massive share of state resources for their private use, e.g. the Duvaliers in Haiti. Education has been shown to be a very common source of inequality, and one which, of course, strengthens other economic inequalities. Unequal educational access was prevalent from colonial times in Rwanda, Burundi, and until the Khymer revolution, in Cambodia. In post-colonial Burundi there were deliberate attempts to limit educational access by the Hutu, while educated Hutu were targeted for killing in the 1970s. Unequal access to state resources is often paralleled by inequalities in access to private assets, employment and income, partly because the state resources (including education as well as corruption) provide a major source of success in private accumulation. But in some societies, success in private accumulation may go to groups that are relatively deprived of state power and benefits (like the Kikuyu in Kenya, or minority religions or ethnicities, such as the Chinese in many Asian countries, or the Huguenots or Jews in Europe). This divergence may reduce tensions, as far as the groups excluded from the state are concerned, but can enhance the likelihood of state terrorism against the economically privileged minority.

2.2 Other Elements to be Considered in an Analysis of the Causes of Conflict

In addition to the existence of horizontal inequalities, four other elements can play a role in stimulating conflict: perceptions; private costs and benefits; constraints; and finance and opportunities.

2.2.1 Perception. We have already noted the important role of perceptions. People are not born with a sense of which group they belong to, who are friends and who enemies—this is socially constructed by family, community and state. As noted earlier, each category may accentuate differences or reject them, changing perceptions and hence group mobilization.
2.2.2 Private costs and benefits. While social influences are especially important in conflict, there are also “rational” choice type private benefits and costs of conflict to group members. Individual action is taken partly (the extreme neo-classical position would argue entirely) as a result of a calculus of individual or private costs and benefits of action (Keen, 1994, 2001; Collier and Hoeﬂer, 1998). Of course, especially at times of high tension, group gains or losses also enter individual welfare functions. In some situations, people have been observed to take action which is completely counter to their private interests, e.g. rioters have burned down factories in Sri Lanka where they themselves work, thereby destroying their own employment. The role of leaders is to see that group considerations coincide with or override private ones, either by changing private incentives or by the use of propaganda and force.

Individuals and groups may gain from conﬂict, e.g. by looting, use of forced labour, changes in the terms of trade in their favour, the creation of new economic opportunities, controlling emergency aid. Keen has analysed such gains in the Sudan and elsewhere (Keen, 1994, 1998). However, many people lose from the physical violence, disrupted markets, reduced state beneﬁts, theft and looting. The private calculus of costs and beneﬁts also depends on the gains from avoiding conﬂict in terms of potential state beneﬁts and economic rewards from development in a peaceful environment. Hence, the general prospects for economic development and the extent to which the individual and the group to which he/she belongs is likely to share in development gains are important considerations. If these are low, the calculation is more likely to come out in favour of conﬂict. The costs and beneﬁts may be differentiated by gender (and by group).

The cost/beneﬁt calculation may be different for leaders and followers and also between those actively involved and the rest of the population. Leaders are generally seeking to form a government, control resources, secure high ofﬁce and so on. But they can do little without followers. However, if the followers—those providing the manpower and other resources—are strongly supportive of conﬂict, against the views of their existing leaders, new leaders may emerge.

2.2.3 Failure of constraints. Conﬂicts can result from a breakdown in state constraints. Even with strong motives for conﬂict on the basis of individual and group calculations, a strong state (or other authority) can prevent, eliminate or reduce conﬂict, while a weak authority may not be able to constrain violence. Some of the conﬂicts in the former Soviet Union can be seen as primarily due to the weakening of state authority and its ability to suppress conﬂicts so that underlying conﬂicts may again be openly expressed. In some of the African conﬂicts, too, for example in Somalia and Sierra Leone, the weakening of the state has permitted conﬂicts to erupt and enlarge, which might have been suppressed with a stronger state. In Kenya, in contrast, a relatively strong state has kept violent conﬂict to a fairly small level (Klugman, 2000). But, as noted earlier, the state can also deliberately foster violence to undermine opposition groups, often provoking violent reactions by its actions. The state quite often has instigated violence by attacking opposition groups as noted earlier, including, for example, in Haiti, Rwanda, Burundi and Uganda in the 1970s and 1980s.

2.2.4 Finance and opportunities. Conﬂicts need resources, including arms, soldiers and food. Some can be seized from the local territory—more readily if the conﬂict is popular locally, which again depends on whether the group involved regards itself as being seriously disadvantaged. Fighting groups can survive without foreign resources, but the
availability of support from outside—credit, food, technical advice and arms—clearly helps the resource situation and thus “feeds” the conflict. The Cold War conflicts were largely financed from outside: since the Cold War, external support has continued to be important—from governments (outside and within the region), from non-governmental organizations (NGOs) and from the private sector. External resources supplied by governments played a considerable financing role in the wars in Central America, Afghanistan (from the USA, Pakistan and Russia during the Cold War era, and subsequently from Pakistan and NGOs), Sudan and Cambodia, for example. Private finance—from companies seeking mineral resources, from the sale of drugs and from international crime—has been important in Afganistan, Guatemala, the Congo, Angola and the Balkans.\textsuperscript{12} Finance is rarely an effective constraint, partly because wars do not always cost much (a low-level conflict like that in Somalia does not use expensive weapons), partly because they create opportunities for money-making (via theft and looting, blackmarkets and other crimes) and partly because there seem to be generous sources of credit for those at war.\textsuperscript{13}

The same reality in terms of the relative and absolute position of groups in political and economic terms may have different effects in terms of conflict-occurrence according to the situation with respect to the four other elements just discussed. For example, a poor “objective” situation in terms of group inequality may not translate itself into conflict if there is a strong state which suppresses it, or if ideological elements are such that the inequalities are not widely perceived. A new conflict may emerge either if objective conditions change or if some of the other elements change, e.g. the state weakens, new sources of external support for conflict develop, or leaders emerge who powerfully and effectively communicate the actual inequalities to the members of the group.

\textbf{2.2.5 Trigger events.} Where there is high potential for conflict because of group inequalities and animosities, a trigger event may lead to eruption or escalation of conflict. A trigger may arise from a change in relative access to any important resource in the table, or because of endogenous or policy changes. Most commonly, however, it seems that a political event (as in Afghanistan with the Russian invasion) occurs in an environment in which there is a high potential for conflict because of perceived underlying inequalities.

The underlying reality about the absolute and, especially, the relative position of the group is of paramount importance. This is because the other factors just considered are all permissive, and would not bring about a conflict in the absence of these inequalities. The next section will elaborate on the concept of horizontal inequality, which is critical to the analysis presented in this paper.

\textbf{3. Horizontal Versus Vertical Inequality}

The analysis of the causes of conflict presented above places overriding emphasis on inequality among groups along a number of dimensions. Yet societies we consider to be highly unequal are not invariably ridden by major conflict, as can be seen in Kenya, Thailand, Pakistan and Brazil. This is partly because other factors mentioned earlier may counter the high inequality because absolute conditions improve, or a strong state is able to suppress potential violent struggle. But it is also because measurement does not correspond to the type of inequality relevant to conflict—that is, inequality is
normally assessed in relation to the distribution of income only and measured as vertical rather than horizontal inequality.

Table 1 depicted a matrix of 28 potentially relevant dimensions of inequalities, made up of four broad categories—political access, economic assets, incomes and employment, and social dimensions. Each of these categories included a vector of seven different elements. The selection was illustrative. It would have been possible to select more. As noted, the relevant elements are likely to vary across societies. Measures of inequality relevant for understanding the causes of conflict should include measures of horizontal inequality of each of the elements relevant in that society, in all four categories.

Inequality in income distribution—economists’ normal basis for measurement inequality—is a summary measure of the incomes/employment dimension but fails to capture, or gives only a partial indicator of, the others. Moreover, income distribution is a vertical measure, which takes everyone in society from ‘top’ to ‘bottom’, recording incomes and the consequent inequality. What is needed for our analysis is a horizontal measurement of inequality between groups, defined by region/ethnicity/class/religion, according to the most appropriate type of group identification in the particular society.

There is necessarily some connection between vertical and horizontal inequality since any overall measure of societal inequality of income distribution (like the Gini or the Theil coefficients as vertical measures) can be decomposed into the weighted sum of two elements—inter-group inequality and intra-group inequality. However, it is possible to have sharp vertical inequality in any dimension without any horizontal inequality, e.g. if the average income of all groups were the same and distribution within each group was highly unequal. Conversely, it is possible to have considerable inter-group inequality, while overall societal vertical inequality is moderate because intra-group inequality is small.

Strong intra-group vertical inequality may actually reduce the potential for inter-group conflict for any given degree of horizontal inequality because it may be more difficult to get group cohesion where there is high intra-group inequality, and because élite members may identify more with members of the élite from other groups than with lower-income members of their own group. This broadly may be the Kenya situation. However, this is not always the case; strong vertical inequality within groups can lead to intra-group resentments which group leaders “buy” off by directing animosity against other groups—this crudely summaries the Rwandan case.

There are a number of ways of measuring horizontal inequality. Given availability of data on average group performance, the extent of horizontal inequality may be summarized using such measures as the Gini coefficient, the Theil index or the coefficient of variation, applied to groups, not individuals as is normal in measuring vertical inequality, to indicate the dispersion of achievements among groups. Where there are rather few relevant groups, sometimes, for example, just two or three, these are excessively complex measures. What is needed then is to measure horizontal inequality by comparing the performance of one group with the average for the whole society or that of the other major group(s).

From the perspective of the extent of horizontal inequalities likely to lead to conflict, the consistency of deprivation over a number of dimensions is relevant. This may be assessed by examining rankings in performance over different dimensions. Persistence in inequalities over time, and the trend in the differentials, i.e. whether they are widening or narrowing, are also relevant. If gaps between groups narrow or reverse, this clearly reduces their potential to cause conflict, although it may lead to resentment among the losing group, as it has, for example, among the Tamils in Sri Lanka (see Sriskandarajah, 2000).
Whether high levels of horizontal inequality are likely to cause serious conflict also depends on the importance of the various groups. Where groups are small numerically, their potential to cause conflict on a substantial scale is limited, even when they suffer persistent discrimination.

These points may be illustrated with reference to Uganda's history. Uganda has had violent conflict on a major scale in the last 40 years. Greatly oversimplifying the situation, one can say that divisions between the Centre and South and the more peripheral areas, especially the North, have been at the heart of most conflicts, though, of course, specific events and personalities have been responsible for particular developments. Table 2 presents some measures of horizontal inequality over time for Uganda.

It is apparent that there are significant, consistent and persistent horizontal inequalities in Uganda over economic and social dimensions, with performance in the Centre greatly exceeding that in the North. Yet for much of the period these were in the opposite direction from political inequalities since the North dominated the government, and army and so on. This may explain why most of the violence over the first 25

Table 2. Indicators of horizontal inequality in Uganda, 1959–91
(ratio of achievement of Central to Northern region)

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<tr>
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<tr>
<td>Cash crops, % of</td>
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<td>2.1</td>
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<tr>
<td>agricultural income</td>
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<tr>
<td>% taxpayers &gt;2500</td>
<td>—</td>
<td>2.9</td>
<td>—</td>
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<tr>
<td>Shillings income</td>
<td>—</td>
<td>—</td>
<td>1.7</td>
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<td>Average household</td>
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<td>expenditure</td>
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<tr>
<td>Real GDP per capita</td>
<td>—</td>
<td>—</td>
<td>2.1</td>
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<tr>
<td>Employment by</td>
<td>2.3</td>
<td>2.8</td>
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<td>people from region</td>
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<td>% population of</td>
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<td>working age in</td>
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<td>region</td>
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<tr>
<td>Increase in</td>
<td>—</td>
<td>1.3 (1962–70)</td>
<td>5.6 (1970–91)</td>
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<td>employment</td>
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<tr>
<td>Emoluments by region</td>
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<tr>
<td>of residence</td>
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<td>Social</td>
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<td>Nurses per person</td>
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<td>Primary enrolment</td>
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<tr>
<td>Secondary enrolment</td>
<td>—</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Infant mortality&lt;sup&gt;b&lt;/sup&gt;</td>
<td>1.3</td>
<td>1.5</td>
<td>1.3</td>
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<tr>
<td>Human development</td>
<td>—</td>
<td>—</td>
<td>1.5</td>
</tr>
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<td>index</td>
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<tr>
<td>Political</td>
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<tr>
<td>General dominance</td>
<td>Northerners</td>
<td>Northerners</td>
<td>Integrated</td>
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<td>Military dominance</td>
<td>Northerners</td>
<td>Northerners</td>
<td>Integrated</td>
</tr>
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<sup>a</sup>Population having completed secondary education
<sup>b</sup>This is the ratio of the inverse of the IMR.

Source: Klugman et al. (1999); Government of Uganda, Statistical Abstracts, various years.
years was state instigated by Northerners in power against Southern privileged elements. The narrowing of some differentials between 1969 and 1991 is the consequence of this violence—not so much due to differential investment, but more the destruction of facilities in the Centre (see Matovu & Stewart, 2000). Since 1986, the government has been much more inclusive, reducing political horizontal inequalities, in particular. For the most part over this period violence has come from the underprivileged in the North, stimulated and supported by various outside forces.

In practice, in many countries, data may not be available to measure horizontal inequality, since most concern to date has been with vertical inequality (and even measures of this are often lacking). Moreover, in politically tense societies, governments are not likely to want to publicize horizontal inequalities. None the less, it is important to collect such data, since it is essential for identification of potential problems and possible solutions. Measurement may be relatively easy for some elements (e.g. some aspects of political participation); while for others rough estimates may be made, or proxies used, such as taking regional data to represent differences among ethnicities, or distribution of land as a proxy for distribution of agricultural incomes. That was done to piece together the Uganda data.

Identifying the appropriate groups for measuring horizontal inequality can also present some rather fundamental difficulties. In most conflicts, group differentiation is not based on some obvious objective differences between people (e.g. all people over 6 feet tall versus all those below 6 feet in height), but is constructed or created in order to mobilize people for political purposes, as discussed earlier. Group construction is dynamic and fluid, changing with circumstances. In some situations, group identification may none the less be obvious (e.g. where a conflict has been ongoing for many years and the lines of differentiation are clearly drawn), but in others groups may split or new ones emerge in response to the developing situation. Then identification of groups for the purpose of measuring horizontal inequality may not only be difficult but may also actually change the on-the-ground situation, either by reinforcing distinctions, or by creating some perceived political advantages in new alliances and groupings.

A further possible problem is that the announcement of the existence of a large degree of horizontal inequality may itself be conflict-provoking. It is clearly of the greatest importance that the act of measurement, and the subsequent policies, avoid worsening a conflict situation. But to avoid any assessment of horizontal inequality altogether for these reasons would be to lose an important tool for the analysis of causes of conflict and identification of policies for conflict-prevention. My conclusion is that measurement of horizontal inequality and the uses to which it is put should be conducted with sensitivity to the considerations just discussed.

4. Policy Conclusions

This analysis of the sources of conflict contains some strong implications for policy formulation aimed at preventing, or ending, conflict. Policy needs to address the underlying causes systematically. Although other permissive elements (resources for conflict, for example) are relevant too, action on them cannot have lasting effects unless the root causes are tackled. As a first priority, policy formulation needs to consider both the issues of horizontal inequality among groups and those of the private incentives to leaders and followers. The two sets of issues—the conditions of groups and private incentives—overlap but are not the same.

Policy change is particularly difficult to achieve in the context of a country prone to violence, or currently experiencing it, and having a recent and longer history of conflict.
In this context there are inherited memories and grievances, and entrenched group identities and inter-group animosities. In such circumstances the government is rarely broad-based and normally represents only a subset of the groups potentially involved in conflict. It would often be naïve to think that the government even wants to promote peace, given the prevalence of state-instigated violence. Hence, the policies suggested below may fall on hostile ears as far as government is concerned. The same may be true of the international community whose actions are sometimes conflict-provoking. Hence, the context for introducing policy change must be recognized as structurally unfavourable. None the less, it is important to elucidate policies liable to reduce vulnerability to conflict. These may be introduced in vulnerable economies before conflict erupts; and in post-conflict situations. In general, also, these policies may act as a standard against which actual policies may be judged.

4.1 Group (or Horizontal) Inequality

The general direction of policy change must be to reduce group inequalities. To achieve this it essential to have inclusive government, politically, economically and socially. Politically, this means that all major groups in a society participate in political power, the administration, the army and the police. Inclusive government economically implies that horizontal inequality in economic aspects (assets, employment and incomes) is moderate; and inclusive government socially that horizontal inequality in social participation and achieved well-being is also moderate. “Moderate” is a loose term. Group equality would be the ideal. A ratio of more than two in average achievements between groups would constitute severe inequality. The significance of any measure of inequality from a conflict-creation perspective is increased if it occurs systematically over a number of dimensions and grows over time. Hence, such consistency (or otherwise) and developments over time should enter into considerations determining what is an acceptable degree of horizontal inequality. “Horizontal equity” describes an acceptable degree of horizontal inequality.\textsuperscript{15}

The general objective of inclusivity and moderate horizontal inequality will translate differently into specific policy recommendations in particular cases depending on the relevant groups in the society, the dimensions of importance in the particular society and those in which there is substantial horizontal inequality.

4.2 Political Inclusivity

The most universal requirement is for political inclusivity because it is monopolization of political power by one group or another that is normally responsible for many of the other inequalities. Yet achieving political inclusivity is among the most difficult changes to bring about. It is not just a matter of democracy, defined as rule with the support of the majority, as majority rule can be consistent with abuse of minorities, as, for example, in the recent history of Rwanda, Cambodia and Zimbabwe. In a politically-inclusive democratic system, particular types of proportional representation are needed to ensure participation by all major groups in the elected bodies. For inclusive government, representation of all such groups is essential not only at the level of the cabinet, but also other organs of government. For political inclusivity members of major groups also need to be included at all levels of the civil service, the army and the police.

Every case of conflict we have observed lacks such political inclusivity. The requirement for political inclusivity can be regarded as a universal prescription for conflict-prone societies. Such politically-inclusive policies have been adopted by well-known
peace-making regimes, e.g. the post-Pinochet Chilean government, Museveni in Uganda and South Africa under Mandela.

These political requirements for conflict-prone countries do not currently form part of the dialogue of political conditionality adopted by some bilateral donors—as noted earlier, at times the requirement of political inclusivity may even be inconsistent with the normal political conditionality. At other times, it may be a matter of adding requirements to the set of political conditions. The usual political conditionality includes rule with the consent of the majority, multiparty democracy and respect for human rights. Political conditions for avoiding conflict would certainly include the respect for human rights. But a requirement of majority rule is not a sufficient condition for conflict-avoidance, as noted above, while multiparty democracy may not be consistent with conflict prevention since political parties are often formed on ethnic (or other group) lines and can encourage group animosity (see Stewart & O’Sullivan, 1999).

4.3 Economic and Social Inclusivity

Some of the appropriate economic and social recommendations are likely to differ among countries. Those concerning government expenditure and jobs, however, are universal:

- To ensure balance in group benefits from government expenditure and aid (including the distribution of investment, and jobs).
- To ensure balance in group access to education at all levels; health services; water and sanitation; housing and consumer subsidies (if relevant). Equality of access in education is particularly important since this contributes to equity in income earning potential, while its absence perpetuates income inequality.
- To monitor sources of horizontal inequality arising from the private sector, and introduce policies to correct it where needed.

The private sector can be an important source of group differentiation. It is generally a less explosive source politically than an inequitable state sector as it is less directly under political control. None the less, in societies where the private sector forms a major source of group inequality in jobs, incomes and assets, horizontal inequality in this sector could be conducive to conflict; in such a situation it would be necessary to adopt policies to reduce the horizontal inequality present in the private sector. The situation in South Africa represents an example where a huge amount of horizontal inequality stems from private sector activity. The particular policies to be followed to deal with private sector sources of horizontal inequality differ across countries, but may include:

- Land reform so as to ensure fair access to land by different groups. This policy would only be relevant where differential access to land is an important aspect of horizontal inequality. In recent conflicts, El Salvador provides a clear example.
- Policies to ensure balanced participation in education and the acquisition of skills at all levels. This has been an important and effective policy measure in Malaysia.
- Policies to promote balanced access to industrial assets and employment. This is more difficult to achieve than reform of public sector policies and need only be attempted where the private sector is a major source of group inequality—which is generally not the case in many conflict situations in very undeveloped economies. Private sector firms may be required to have an equal opportunities policy; they
should be monitored and where horizontal inequality is high may be required to provide a certain proportion of jobs at every level to members of the main groups. Similarly, banks may be required to spread their lending across groups. Asset redistribution across groups can be achieved by government purchase of assets and redistribution to disadvantaged groups.

While the detailed policy requirements would differ according to the situation in a particular country, the important recommendation is the general requirement to follow inclusive policies, offsetting major elements of horizontal inequality. However, a cautious approach is required, as heavy-handed corrective action can itself promote conflict. Action to reduce some privileges in education and employment enjoyed by Sri Lankan Tamils, for example, was itself among the causes of conflict in Sri Lanka (Srisankarajah, 2000).

As noted, especially since many governments are pursuing precisely the opposite policies to those inclusive ones being recommended here, it is critically important that such policies be built into the requirements of the international community in its dealings with conflict-prone countries. In fact at present they are not—certainly not explicitly. Aid allocation within a country depends on efficiency considerations and sometimes vertical equity, but not horizontal equity. Pursuing horizontal equity may sometimes conflict with efficiency or even with vertical equity. These are trade-offs that may have to be accepted. In the long term the benefits for both growth and poverty from the avoidance of conflict are likely to be greater than any losses from short-term output reduction that the policy might involve. Mostly, there would not be a significant trade-off with poverty reduction as balanced policies are also likely to be poverty-reducing, while extending education to the deprived would be likely to contribute to economic growth. Malaysia, for example, was remarkably successful in achieving economic growth and poverty reduction as well as horizontal equity through the New Economic Policy which effectively narrowed the gap in incomes, employment and assets among the major groups.

IMF and World Bank policy conditionality is “blind” to these issues, i.e. they take no account of horizontal equity in their policy prescriptions. As lead institutions, it is essential that they incorporate these considerations into their conditionality, not only with respect to project allocation, but also in the policy conditionality applied to government economic interventions and expenditures. This would require a quite marked change in their programmes for conflict-prone countries.

4.4 Private Incentives

The policies just sketched were all addressed to the need for inclusivity and group equity. When applied to a situation not yet affected by conflict, these policies, if effective, might be sufficient to eliminate the underlying causes of conflict (although an additional requirement is that there is a sufficiently strong state to avoid violence erupting for private benefit in a near-anarchical situation). In such a context, it may not be necessary to introduce policies to tackle the private incentives to violence of leaders or followers. But when conflict is ongoing, policies to tackle the root causes may need to be accompanied by policies to encourage particular individuals involved to stop fighting and enter more peaceful occupations, i.e. private incentives need to be altered.

The private incentives of leaders of major groups may best be turned round by offering them positions in government. Lower-level leaders may be offered jobs in the state army or civil service, or money. This proposal may often fall on deaf ears, for
political reasons—as with other policy proposals suggested here, only governments seriously intending to end violence and enhance national unity will follow the recommendation. Yet post-conflict governments have done so. For example, on taking power in Uganda, Museveni aimed to incorporate all the various military forces into a single national army (National Resistance Army (NRA)), with a balanced ethnic composition (Mudooala, 1988). The NRA included not only the various forces that had fought against Obote, but also those who had fought with him, and later Amin supporters from the West Nile. Soldiers who had served in the Obote army were sent to camps for screening and “political education”. The consequence of the policy of incorporation was that the NRA grew from a small, tightly disciplined guerilla force into one of the largest armies in Africa, comprising more than 100 000 soldiers.

Those who had been active soldiers (the “followers”) need income-earning opportunities—finance or jobs in works schemes can be offered in exchange for arms, or, where appropriate, land or agricultural credit. In some contexts the offer of a lump sum on demobilization appears to have been quite effective (e.g. after the Ugandan and Mozambique wars—see Collier, 1994; Dolan & Schafer, 1997). Such policies can be expensive and need international support. Moreover, they are difficult to apply in less organized conflicts where large numbers move in and out of a conflict, and there is no clear demarcation between those who fought in the conflict and those who did not. Improving the income-earning opportunities for the young generally, especially for males, is needed in such contexts. To some extent this would happen by itself if peace were restored, as farms can again be worked on, and other private sector activities may resume (though some other war-related activities would cease). But in most cases there is likely to be an interval when special employment schemes or financial handouts may be needed.

As with the earlier policies, what is appropriate inevitably differs among countries. The general requirement is that these issues are explicitly considered when conflict is ending.

4.5 General Development Policies

Both general analysis and some of the econometric evidence suggest a connection between predisposition to conflict and levels and growth of per capita incomes, although the correlation is not strong (see Auvinen & Nafziger, 1999; FitzGerald, 2000). Economic growth would be likely to reduce the propensity to conflict if it narrowed horizontal inequalities. Equitable and poverty-reducing growth would normally be likely to reduce horizontal inequality, and might make persisting inequalities more tolerable. Hence, policies that succeed in promoting such growth should form part of any pro-peace policy package. But it should be stressed that the growth must be widely shared. Inequitably distributed growth can reinforce horizontal inequality and thus be conflict-promoting, as occurred, for example, in Rwanda.

A great deal of analysis has been devoted to delineating the conditions for widely shared growth. Policies include: measures to promote human development, especially through the spread of education; measures to increase savings and investment; price and technology policies to encourage labour-intensive technologies; new credit institutions to extend credit to those of low income; measures to encourage the informal sector; land reform and support for small farmers; and international policies to improve market access and terms of trade and reduce debt burdens. Many measures can be designed specifically to reduce horizontal inequality as well as to promote growth and reduce poverty. There is no question that a successful development strategy of this kind
would reduce conflict-propensity. However, it is difficult to envisage the success of such policies in countries with the major structural divisions which bring about conflict. Hence, while successful development would undoubtedly contribute to our objective, it seems likely that the more specific policies discussed above concerning group differentials and individual incentives will be needed not only for themselves but also as preconditions for general development success.

This section of the paper has referred to “conflict-prone countries” as being the targets of the preventative policies discussed above. This implies the need for some definition of “conflict-proneness”. A country’s vulnerability may be identified by the following characteristics: (a) serious past conflict at some time over the previous 20 years; (b) evidence of a considerable degree of horizontal inequality; (c) low incomes; and (d) economic stagnation. These are the conditions which predispose to conflict according to the analysis above, and statistical work (Auvinen & Nafziger, 1999). Condition (a) is itself invariably a serious sign. As noted in the Introduction, the high incidence of conflict among low-income countries suggests that they should be regarded as conflict-prone as a group. Among middle-income countries, sharp horizontal inequalities would put them into the same category. The delineation of vulnerability is important because conflict-prevention policies need to be focused on these countries. Special care should also be taken to avoid providing resources to such countries (in the form of aid or military assistance) that are likely to help finance conflict. This might seem an obvious point, yet case studies show that international resources have poured into countries on the brink or in the process of conflict.

5. Conclusion

The search for the underlying causes of civil conflicts is an ongoing one. No definitive answers can be expected, especially since conflicts occur in a huge range of countries and situations. The findings of this paper must be regarded as tentative. Yet because of the ongoing nature of these crises and the heavy human costs they impose, it is important that some action is taken on the basis of current knowledge, without waiting for further confirmation. It is in this spirit that the policy conclusions have been presented above as a set of definitive recommendations.

One conclusion stands out: in every major conflict there is an interaction between economic, political and cultural factors, with group perceptions and identity (normally historically formed) being enhanced by sharp group differentiation in political participation, economic assets and income and social access and well-being. Consequently, there needs to be a comprehensive approach, simultaneously tackling political, economic and social inequalities, and addressing cultural perceptions.

Notes

1. Among the 10 countries with the HDI, Sierra Leone, Niger, Mali, Burundi. Ethiopia, Eritrea, Guinea and Mozambique have all been subject to civil conflict at some time over the past 20 years.
2. See, for example, the statistical evidence produced by Auvinen & Nafziger (1999).
7. See Alexander et al. in Nafizger et al. (2000a); Turton (1997); Cohen (1974); and Smith (1991).
8. Smith has argued that “the [past] acts as a constraint on invention. Though the past can be ‘read’ in different ways, it is not any past” (Smith, 1991, pp. 357–358, quoted in Turton, 1997).
10. “Symbolic systems” are the values, myths, rituals and ceremonialities which are used to organize and unite groups (see Cohen, 1974).
11. M. O’Sullivan, personal communication.
12. In Angola, for example, the impoverished government is acquiring finance to fight the rebels by selling licences for oil drilling.
13. A seven-country study of countries at war showed debt rising rapidly, faster than non-war countries (see Stewart & FitzGerald, 2001).
14. For a decomposition of the Gini of this kind see Fei et al. (1978); and for a decomposition of the Theil see Anand (1983).
15. The use of the term “horizontal equity” to mean an acceptable degree of horizontal inequality should not be confused with the concept of “horizontal equity” used in the tax literature—where it means equal tax treatment of people in similar circumstances (see, e.g. Atkinson, 1996, p. 294). But I believe this holds more widely to any form of differentiation among groups—religious, class, clan—not merely ethnic.

References


