

# Poverty and Armed Conflict: Why State Capacity Matters Most

Written by Katharine Cornish

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### The Problem of Poverty-Conflict Causation

Over the last decade the number of low income countries has been reduced to 40 from 66 (Gertz, 2011). Meanwhile, the 2011 World Development Report suggests that 1.5 billion people live in countries affected by conflict or high levels of violent crime. Effectively, global poverty is decreasing, but violence and conflict continue to persist.

For many, framing poverty as a security issue is a useful means of rallying attention and support for poverty reduction. The relationship is not entirely unfounded; many conflict-affected countries are also the world's poorest. But it does not explain why middle income countries are experiencing conflict, and in effect does a disservice to conflict prevention. Furthermore, authors such as Morris Miller suggest that establishing a conflict-poverty relationship is needless to begin with as moral arguments can be made to reduce either (2001). Thus, aside from being difficult to substantiate, poverty and conflict correlations are also fundamentally unnecessary and fail to address the sources of armed conflict in middle income countries entirely.

In challenging strong correlations between poverty and intrastate conflict, this essay seeks to find an alternative correlation that may help to predict armed conflict in low and middle income countries alike. Proving a tenuous relationship between poverty and conflict, this essay argues that poverty affects conflict only insofar as it reinforces state weakness. Relying on empirical data and contemporary trends, the author suggests that weak governance is a common underlying theme in countries experiencing armed conflict, underpinning other common conflict correlations such as level of democracy, presence of natural resources, and inequalities amongst diverse groups. This alternative correlation provides a basis to examine armed conflict in countries of varying incomes, and initiates a dialogue around statebuilding as an effective means of conflict prevention.

### Defining Terms: State Weakness and Poverty

According to Brookings, weak states are defined as countries that lack a combination of capacity and will to fulfill key government responsibilities related to security, services, government institutions, and the economy. They may be unable to protect their citizens from violence, provide basic infrastructure and services, create transparent and accountable institutions, or set the conditions for sustainable and equitable growth (Patrick & Rice, 2008). By considering state capacity across these four distinct areas, it is possible that a country may fare well in some but be weak in others. North Korea for example is highly effective in securing the state, but provides few political goods to its citizens (Rotberg, 2003). Data on each of the four areas can help differentiate between issues of capacity and issues of will, and provide the basis for more targeted support.

Poverty has traditionally been defined in terms of income, but arguably this does not fully capture the experience of poverty. While income is an element, poverty is a deprivation of basic human needs, affecting human dignity, well-being, and agency. For the purpose of this essay, the author considers both traditional measures of poverty, and more multi-dimensional views of poverty. The Human Development Index captures this multi-dimensional view of poverty by considering health and education indicators in a given country, in addition to income. Gross National

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Income per capita, alternatively provides a comparison of states purely in economic terms. In looking at the two in conjunction, one can begin to formulate observations about the capacity of a state to translate wealth into public goods and alleviate human suffering.

## State Weakness: An Alternative Explanation to the Poverty-Conflict Relationship

While it has already been established that global poverty is decreasing but conflict persists, history provides several examples that contradict correlations between poverty and conflict at a country level. Twenty years past its civil war, Mozambique is consistently one of the five lowest ranking countries on the Human Development Index (HDI). Yet, in 2011 it was more peaceful than over 100 other countries included on the Global Peace Index. Burkina Faso provides a similar example of strikingly low human development indicators, yet a high peace index rating. What makes these states different than other poor African countries such as Burundi and Liberia, who have experienced more conflict? If we look at Brookings' Weak State Index (2008), despite ranking in the bottom 10 of the HDI, Mozambique and Burkina Faso fare better than 37 other states included in the index. Senegal, Lesotho, Malawi, and Benin, also support this trend. Simply put, poor countries with stronger governments tend to experience less conflict, based on a cross comparison of indices.

Although the evidence above suggests low HDI scores do not always correlate with conflict, it should be noted that several of the world's poorest countries have experienced recent civil war and armed conflict. Liberia, Burundi, and the Democratic Republic of Congo have extremely low human development scores and GNI per capita (UNDP, 2011; World Bank, 2011). However, these states are also extremely weak (Brookings, 2008). In low income countries, poverty and state weakness tend to reinforce one another. For instance, a state failing to provide quality education, develop infrastructure, and create conditions for investment will continue to be poor. At the same time, a poor state may have difficulty securing the resources necessary to provide such public goods. Breaking from this cycle will require a high degree of commitment from the government and outside support.

While conflict is prevalent in many low income countries, middle income countries are not immune. In 2011, The Economist published a piece introducing the concept of "MIFFs" a shorthand to describe middle income failed and fragile states. Building off of research carried out by Brookings, the article suggests that improved governance structures are lagging behind new wealth, leaving countries prone to violence and conflict. Failing states are generally characterized by conflict, having lost the ability to secure and control parts of their territory (Rotberg, 2003). Disputing traditional beliefs that poverty itself is a source of vulnerability, the article proposes that in the modern world, failing states are not necessarily poor states.

This finding runs counter to the work of the World Bank when it produced "Breaking the Conflict Trap" in 2003, identifying middle income countries and low income countries with growing economies as being at low risk of conflict. Take Colombia for example. Since the 1960s, the Colombian government has fought against rebel groups including the FARC, ELN, and the M-19. Faring better than 100 other countries on the 2001 and 2011 Human Development Index, Colombia ranks only 46<sup>th</sup> on Brookings' Weak State Index (2008). Sri Lanka, while even experiencing some economic growth, fought the LTTE for over 25 years before securing segments of the state. As a middle income country, poverty cannot be deemed the cause of this lengthy civil war. Although short, the recent civil war in Libya also runs contrary to beliefs that middle income countries will be more secure. Rather, if a state lacks public legitimacy, insurgents will mobilize if there is a chance of success.

While this evidence demonstrates the limitations of poverty and conflict correlations, one might ask why state weakness is put forward as a better predictor of conflict than other common correlations such as level of democracy, presence of natural resources, and inequality between diverse groups. This essay suggests that state weakness is an underlying theme crosscutting these issues, providing wider applications for predicting conflict than any of these individual correlations present.

## Applying the State Weakness Thesis

According to Muller and Seglison, one can expect violence to be most common in semi-repressive states (1987). In

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strong democratic states, there are opportunities for peaceful participation in political processes, bearing a much lower cost than violence and a high likelihood of success. In strong repressive states, peaceful mechanisms for political participation do not exist and the cost of violence is high and likelihood of success low (Muller & Seglison, 1987). In contrast, weak semi-repressive (or semi-democratic) states neither effectively suppress dissidence nor provide mechanisms for true political participation. Thus violence is perceived as an effective means for political participation (Muller & Seglison, 1987). This provides a strong argument for the relationship between state weakness and armed conflict.

Traditionally, good governance has been equated with democracy. However, as explained above, partial democracy lends itself to poor governance and a weakened state, vulnerable to conflict (Hegre & Nygard, 2012). Work by the World Bank, Collier, and others have found that democracies become more stable as incomes increase, thus in states with low levels of per capita income, autocracies may prove more stable than democracies. This is also a trend in post-conflict settings, where autocracies tend to be highly successful in maintaining post-conflict peace (Collier et al, 2008). This suggests that poverty itself is not what makes states vulnerable to armed conflict, but rather the weak institutions that emerge in democracies when incomes are low. While there are intrinsic reasons for democracy promotion, democratic transitions are more likely to produce conflict than peace.

While the World Bank attests that states endowed with natural resources, especially when concentrated in areas inhabited by a particular ethnic or religious group, are more prone to separatist and non-separatist conflicts, Ballentine suggests that this is not a direct correlation but rather the result of poor governance (2003). Failure of the state to manage resource exploitation effectively and to distribute resource wealth equitably in the form of goods and services may undermine state legitimacy prompting rebellion (Ballentine, 2003). Likewise, weak governments may not be able to prevent the looting of natural resources, becoming a source of funding for rebel groups (Ballentine, 2003). In the face of conflict, these states often remain poor, growing more slowly than their counterparts with fewer endowments. In this sense, weak governance in the presence of natural resources makes countries more likely to experience conflict and stunts economic growth.

Despite presenting reliance on primary commodities as a major risk factor, the World Bank admits that with good policies these factors cease to be risks. A good example of this is Botswana. A low income country in the 1970s, Botswana harnessed diamond wealth for impressive economic growth without experiencing conflict and is now a stable middle income country (World Bank, 2003). Under the same reasoning, one can see how poor policies and weak governance then increase the risk of conflict in countries rich in natural resources. Fearon argues that this is the main reason why oil states with high incomes are also at a high risk of conflict (2005). Relying on oil revenue rather than domestic taxation, these states have little incentive to develop their capacity for service delivery and transparent political institutions, thereby weakening state legitimacy (Fearon, 2005). Thus, the conflict correlation does not lie in the presence of natural resources, but rather in the wake of weak governance.

Finally, several authors find the relationship between ethnic diversity, inequality, and armed conflict to be inconsistent. According to Fearon and Laitin, some of the most homogenous countries experience civil war, Somalia for example (2003). In rich countries, ethnic heterogeneity effectively has almost zero impact on conflict. Miller points out that inequality was not severe in Rwanda, but an ethnic conflict imploded (2000). A weakened state creating conditions that favour insurgency provides a better indicator of potential conflict than ethnic or religious diversity, or grievances such as economic inequality (Fearon & Laitin, 2003). Bates also sees the implications of ethnically diverse or polarized societies in terms of a government's capacity to respond, expecting weak states to lack the resources to appease the range of groups (2008). Given the underlying governance issues, and the lack of general consensus, this correlation is also less useful in predicting future conflicts.

Along with reinforcing poverty, and underpinning issues related to democratization, natural resources, and ethnic inequalities, state weakness creates opportunities for conflict. According to Fearon and Laitin, conflict occurs when conditions favour insurgency (2003). A state that is financially, organizationally, and politically weak creates an opportunity for insurgency to be successful (Fearon & Laitin, 2003). Therefore, it is not poverty amongst citizens that leads to conflict, but rather poverty of the state (Bates, 2008). To determine the potential wealth of the state, it is not useful to look at GDP or GNI per capita alone. These figures provide only a measure of potential revenue available to

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the state. How effective the state is in extracting revenue from the population will dictate state capacity (Fjelde, 2009). To be effective in extracting revenue, the state must demonstrate that it will provide security, political goods, and public services in return for taxing the population (Fjelde, 2009). Through this relationship, the state is legitimized.

In comparing GNI per capita with state weakness as measured by Brookings' Weak State Index, there appears to be a relationship between a state's wealth and its capacity, which influences the likelihood of conflict. The author suspects that as incomes increase, so do public expectations. When states are weak relative to their wealth, they fail to provide security, political goods, and public services expected by the population. This causes the state to become delegitimized in the eyes of the population, as public expectations are not met. When public support for the state is low, insurgents have a better chance of gaining the support necessary to challenge the government. While greater study is necessary to substantiate this hypothesis, it provides a possible starting point for understanding the correlation between state weakness and conflict, particularly in middle income countries.

## Implications for Policy Makers

For those concerned with conflict prevention, rather than looking to poverty as an indicator, greater attention should be paid to state weakness as a measure of potential conflict. As demonstrated through this essay, many poor countries have been able to avoid conflict; while a number of middle income countries have not. An assumption that poverty causes armed conflict overemphasizes growth-based approaches to conflict prevention. Growth alone does not prevent conflict; it must be coupled with strong state institutions. As demonstrated through the "MIFFs", economic development without institutional development raises the risk of conflict as state control becomes more appealing to insurgents and public expectations for political goods and basic services increase without being met.

Middle income countries should be considered in conflict prevention strategies, but are also becoming increasingly important in aims to end global poverty. Data suggests that middle income countries host an increasing number of the world's poorest people. Whereas one in ten of the world's neediest live in poor but stable countries, Brookings suggests that fragile, middle income, countries host nearly one in five (Gertz, 2011). While the relationship between poverty and conflict in middle income countries is unclear, as important pursuits in their own right, the international community should give due attention to poverty reduction and conflict prevention alike in these countries. As middle income countries generally do not need donors in the same way that poorer countries might, the international community will not be able to rely on traditional approaches to aid. Instead, partnerships will require an element of innovation to work with middle income countries to use their wealth for greater state legitimacy, without reinforcing repressive regimes

In the 2003 World Development Report, the World Bank claimed that "global incidence of civil war will increasingly come to be dominated by wars in the group of poor, declining, primary commodity exporting countries" (p103). While these countries do face risks of conflict, investing in the state could be highly successful in managing these potential triggers. Although the World Bank tends to prioritize growth-based prevention strategies, the evidence that economic growth correlates with fewer civil wars is likely the result of better-financed and administratively capable governments (Fearon & Laitin, 2003). In poor countries, economic growth and increased state capacity should not be pursued in isolation. Rather the two must go hand in hand. Poor countries with weak governments will always run the greatest risk of conflict, this is true. But while increasing economic growth can be a slow process, investments in state capacity tend to produce more immediate results, forming a viable and critical element of conflict prevention.

Policy makers and institutions concerned with conflict prevention should look for signs of state weakness and indications of a weakening of state to help predict potential conflicts. While strong states generally have good GDP per capita, a high HDI rating, low levels of corruption, and afford their citizens political freedoms, in contrast, weak states may exhibit signs of corrupt institutions, deteriorating infrastructure, high rates of criminal violence, and unresolved ethnic, linguistic, or religious tensions (Rotberg, 2003). By tracking negative changes across the four sets of indicators put forward by Brookings, one can observe a weakening of the state, which may make it vulnerable to conflict. In separating state capacity across the four categories of security, political institutions, public goods, and the economy, it is possible to provide targeted support to areas where state capacity is weak.

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In conclusion, poverty will affect conflict only insofar as it reinforces state weakness. Approaches to conflict prevention will differ across low and middle income states, but statebuilding is of paramount importance to both. With civil war and violent conflict posing international security risks beyond a country's borders, building legitimate state capacity in low income and middle income countries alike is a priority the international community cannot afford to ignore.

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