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How Economics Can Help Us Understand Violent Intrastate Conflict:

A Panel Debate

'Greed' versus 'Grievance': A Useful Conceptual Distinction in the Study of Civil War?

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The Hidden Hand Wrestles Rebellion: Theory and Evidence on How Economic Freedom Prevents Civil Violence

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Greed and Grievance: Methodological and Epistemological Underpinnings of the Debate

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Local Agency and Political Economies of Peacebuilding

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Introduction

Since the late 1990s, there has been a pronounced increase in econometric analyses of violent intrastate conflict, not least thanks to the now seminal distinction of 'greed' versus 'grievance' factors – famously associated with the works of Paul Collier and Anke Hoeffler (1998; 2004) – to explain the causes of civil wars. Collier and Hoeffler initiated a distinct line of inquiry into violent intrastate conflict that helped refine the ways in which the dynamics of civil war can be captured by an economic methodology. In particular, the greed versus grievance debate has added a certain 'punch' (Varshney 2007:284) to the debate on the motivations for ethnic violence, following Collier and Hoeffler's statistical findings which indicate that civil wars are not the consequence of accumulated grievances. Rather, they argue that the risk of violent intrastate conflict increases depending on financial opportunities (Collier and Hoeffler 2004) and expected gains conditional upon victory that outweigh the costs of violent action (Collier and Hoeffler 1998). Early versions of the greed argument (e.g., Collier 2000; Collier and Hoeffler 1998) thereby have focused on 'greed' literally in the sense of the self-enrichment, profiteering, and rapacity of rebel groups (Aspinall 2007), while later versions have become more differentiated by arguing that 'what counts is . . . "feasibility" [Collier and Hoeffler 2005:629] or "opportunity" [Collier, Hoeffler, and Sambanis 2005:3], insofar that insurgent movements can only emerge and be sustained when resources are available to finance them' (Aspinall 2007:951). Conversely, the greed argument has provoked a vivid counter-reaction by authors who argue that regression analysis relying on proxy variables and covering a large number of cases cannot capture the complex social realities of violent intrastate conflict (see, e.g., Cramer 2002).

The distinction of greed and grievance factors continues to stimulate an ever-growing body of research (e.g., Bodea and Elbadawi 2007; Collier, Hoeffler, and Rohner 2009; Fearon 2005; Regan and Norton 2005). It does so by 'serv[ing] a useful heuristic purpose in sharpening debate and, above all, in encouraging qualitative and more historically informed research into ongoing civil wars' (Berdal 2005:689), even though an increasing number of scholars, including Collier and Hoeffler themselves, have come to recognise that explanations for civil wars are typically not clear-cut and that the greatest value might lie with theoretical accounts that mix greed and grievance factors (e.g., Collier, Hoeffler, and Sambanis 2005; Korf 2005; Murshed and Tadjoeddin 2009; Regan and Norton 2005).

To discuss the potential strengths as well as pitfalls of such distinctions and analyses, *Studies in Ethnicity and Nationalism* (SEN) has invited four experts in the field to address the question 'What contribution can the discipline of economics make to the study of violent intrastate conflict?' from their distinct perspectives. The SEN discussion goes beyond a mere snapshot of the state of the art on 'greed and grievances' by providing a platform for some of the main protagonists of the debate to reply to each other's findings and concerns. The following features debate demonstrates how the differing perspectives on violent intrastate conflict can complement each other to highlight the complexity of civil war.

Dr Anke Hoeffler (University of Oxford) revisits her earlier arguments on 'greed' and 'grievance' from the perspective of collective action problems. If rebellion produces a public good, then satisfying the private 'greed' of individuals is indispensable to motivate them to collective action in pursuit of their 'grievance'. Professor Indra de Soysa (Norwegian University of Science and Technology) uses multivariate regression to show that fairer economic governance reduces the likelihood of violent conflict. In an environment that provides incentives for investment and enforces rules that safeguard profits, investing in production will be more attractive than investing in war. Professor I. William Zartman (Johns Hopkins University) criticises monocausal explanations of violent conflict. Not only have many economists focused too narrowly on 'greed', but also the inherent limitations of statistical methodology imply that they are unable to grasp the complex social reality of violent conflict. Professor Michael Pugh (University of Bradford) uses the insights of political economy and post-colonial studies to criticise the paradigm of 'liberal peacebuilding'. The prescriptions of 'good governance' and neoliberal market economics work to naturalise global inequalities. They need to be challenged by the inclusion of local knowledge into understandings of peace.

– Hannes Baumann and Ulrike G. Theuerkauf
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