

# Social Heterogeneity, Commodity Price shocks & Civil war

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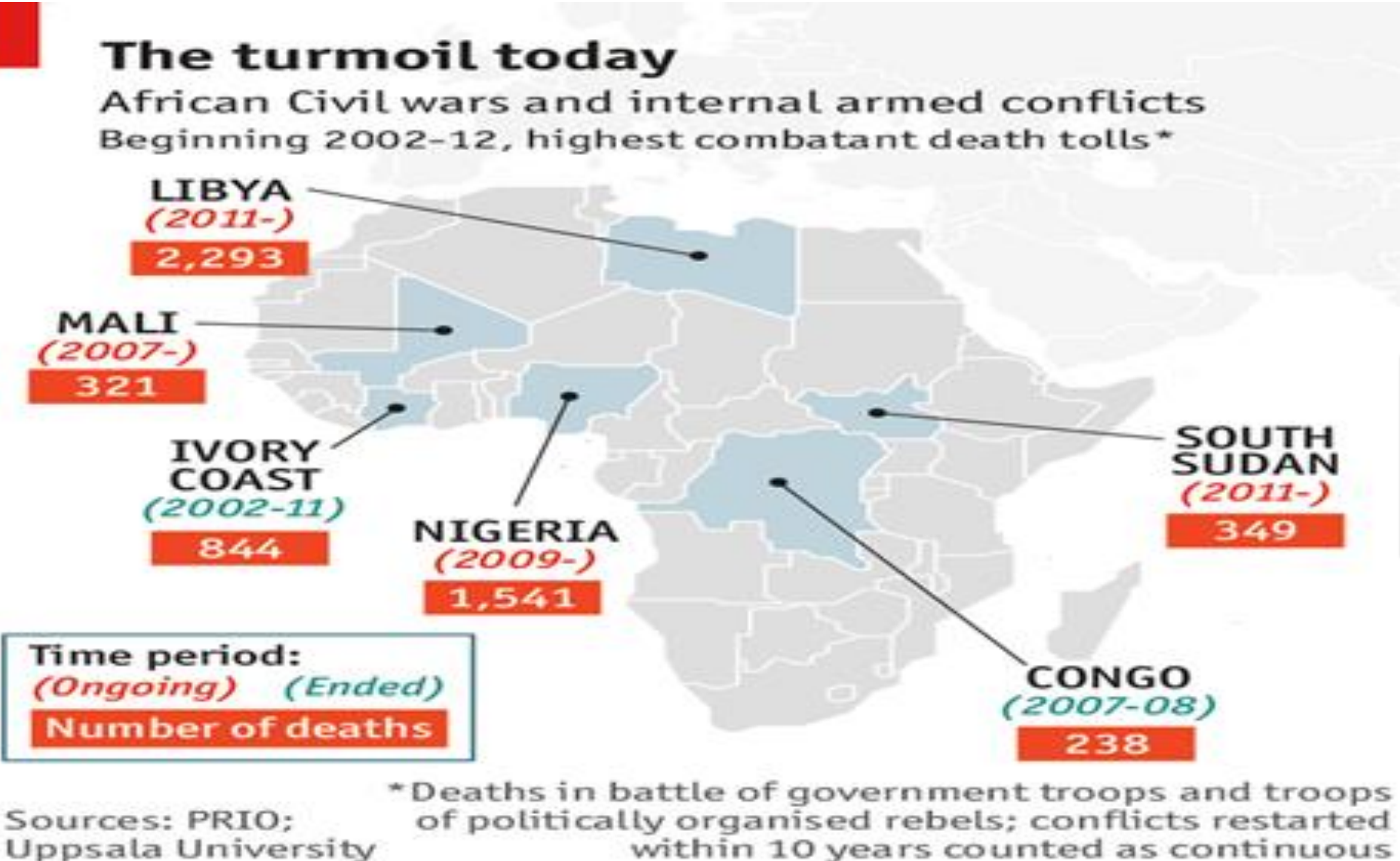


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Intrastate conflicts have become the most common phenomena throughout the world, There were about 150 large civil wars between 1945 and 2013

Particularly in the developing countries civil wars are very common



All violent conflicts are distractive



Causes for damages on

Natural environment

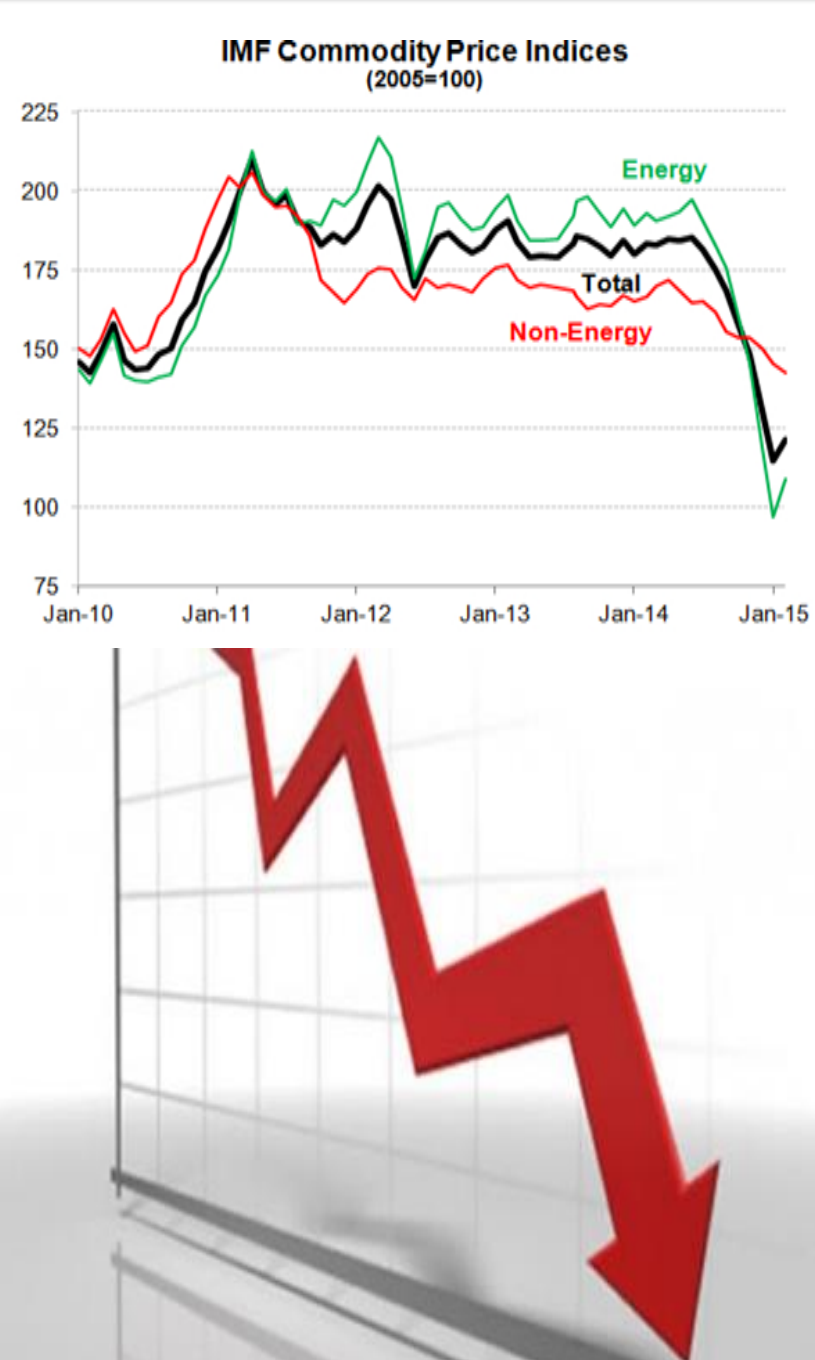
Social, political institutions

physical infrastructures

Mass fatality



## Motivation



Do exogenous economic shocks promote civil conflict directly?

Does it mean that only income declines translated into civil conflicts?

Motivation (*grievance- a negative motive against the state or greed- a positive motive a desire to get rich*) is not a sufficient factor to trigger civil wars

MOTIVATION



IF NOT, THEN WHAT?



Group cohesion is necessary condition in conflict analysis

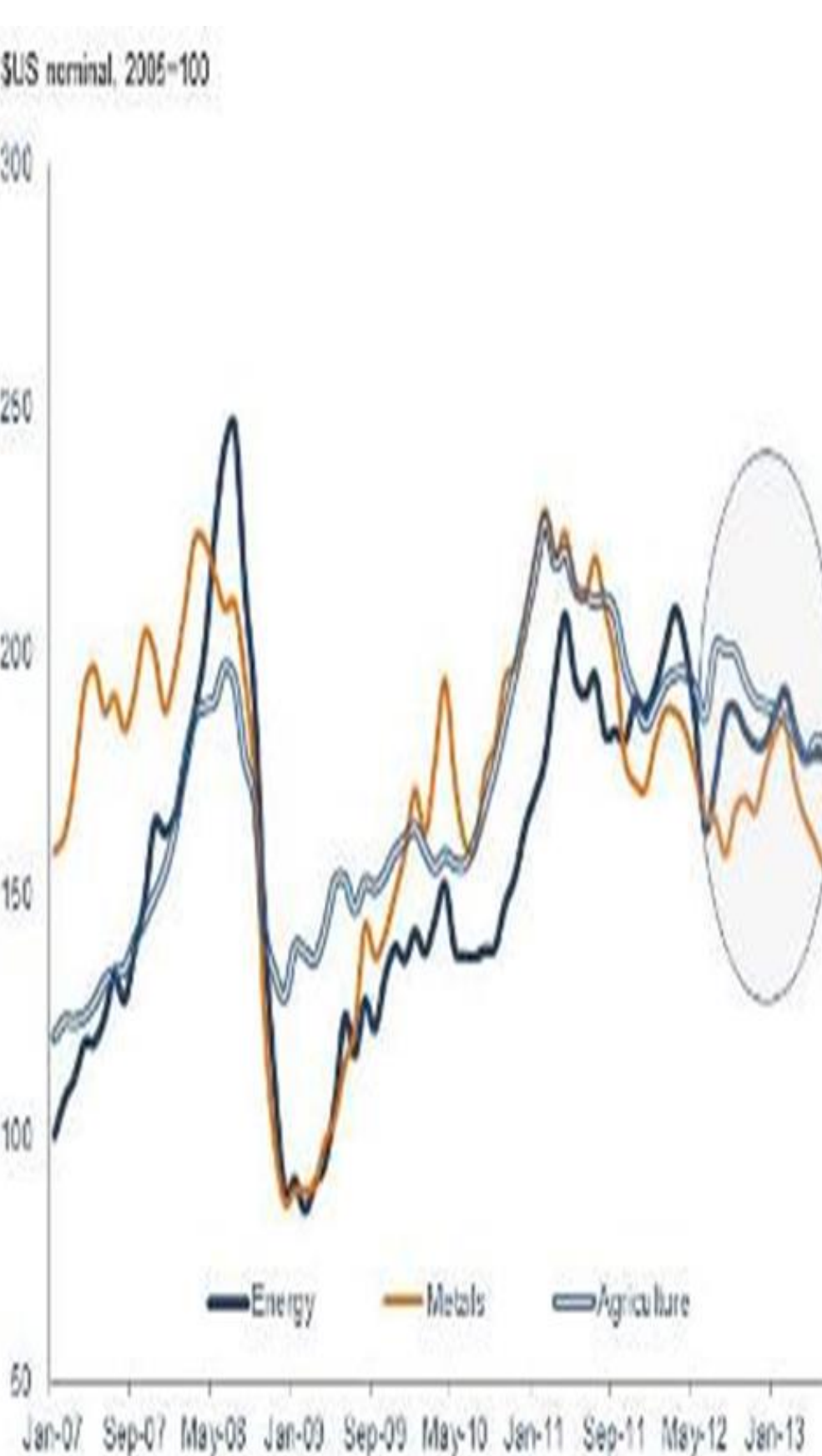
It is pertinent to identify the possible transmission channels of shocks that transmit into civil wars



## Social Diversity

$$FRAC = 1 - \sum_{i=1}^N \pi_i^2 = \sum_{i=1}^N \pi_i(1 - \pi_i)$$

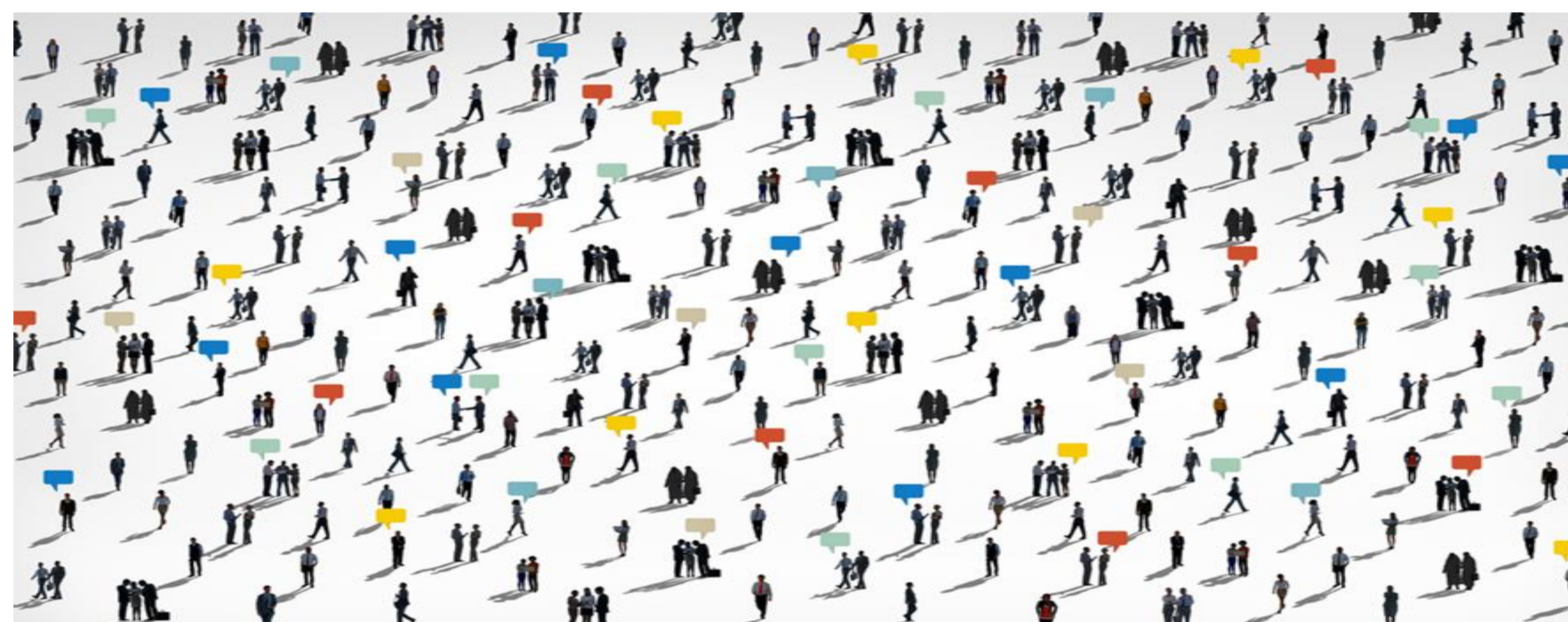
## Transmission Channels



Opportunity cost of fighting

State weakness & fragility

The state as prize



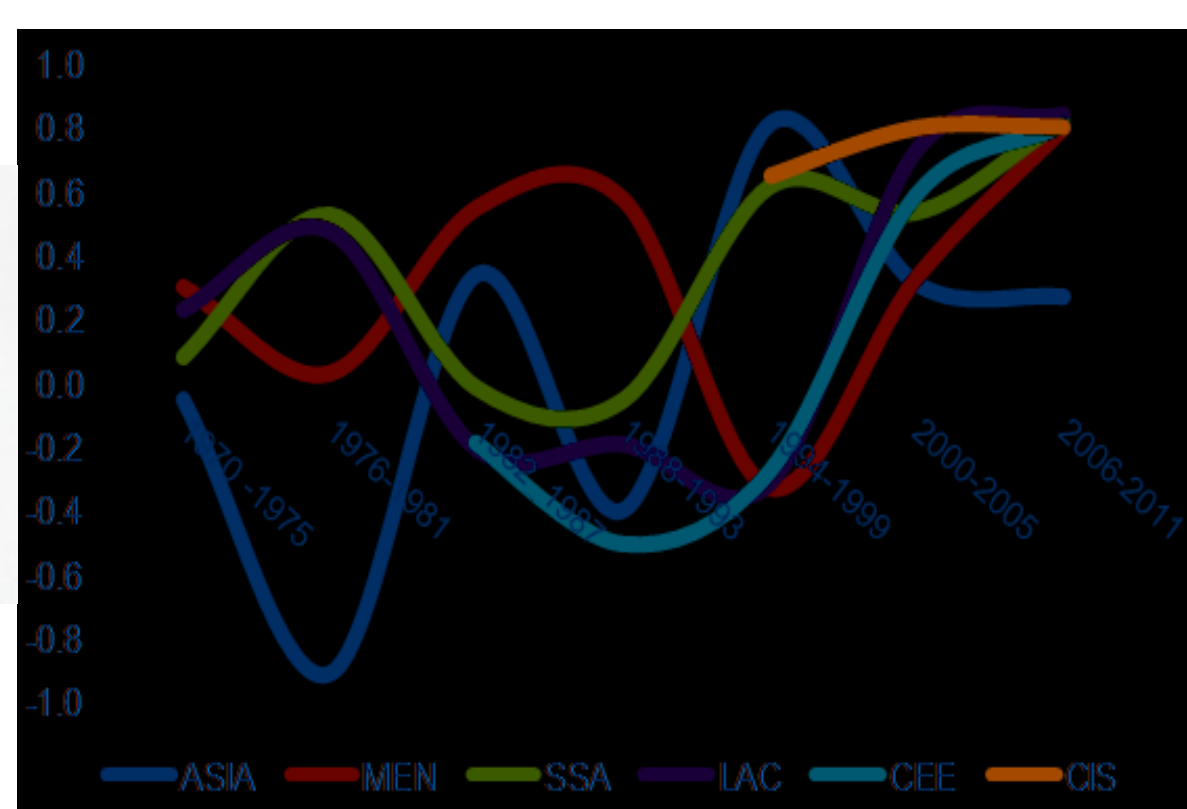
$$RQ = 4 \sum_{i=1}^N \pi_i^2 (1 - \pi_i)$$

Effect of the price shocks on the civil conflict/war + interaction with polarization and fractionalization measures of ethnic and religious heterogeneity

$$C_{jt} = \alpha + \beta S_{j(t-1)} + \gamma S_{j(t-1)} \times (P_j + F_j) + \tau_t + \rho_{jt} + \varepsilon_{jt}$$

## Results

Pre-existing of Ethnic Polarization in the developing and emerging countries



Civil Conflict/War