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## Research Report

# Can democracy foster peace?

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## Can democracy foster peace?

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In past years the international community has pushed hard for promoting democracy in instable and poor countries, in the goal that fairness can address historical grievances and guarantee peace. This view has also been dominant in academic research (e.g., Gurr, 1960, Hegre et al., 2001). However, recent episodes of post-election violence, e.g. in Kenya in 2007, Nigeria in 2007 or Ivory Coast in 2010, have cast doubt on whether elections really result in peace rather than in turmoil.



.... In recent research (Collier and Rohner, 2008) we argue that democracy is a double-edged knife. In particular, democracy also constrains the technical possibilities of government repression, and this makes rebellion easier. While the net effect of democracy is therefore ambiguous, we suggest that the higher is income the more likely is it to be favourable. In this Brèves we summarize the findings of this research and relate it to our other research and to recent developments in the literature.

Let us first recapitulate the main arguments for why democracy could reduce the potential for war. Many low-income countries are periodically beset by political violence. Since the fall of the Soviet Union the dominant international strategy for promoting peace in these societies has been democracy. The rationale for this strategy, over and above the intrinsic desirability of democracy, is that by making the government more accountable, citizens will have less cause for violent opposition.

While such an *accountability effect* is indeed plausible, democracy may also have other effects on the risk of violence. In particular, accountability may curtail some government strategies that are effective in maintaining security. For example, unconstrained by accountability, both Stalin and Saddam Hussein were able to maintain peace through intense repression despite manifest reasons for popular grievance. In both societies, more democratic successor governments have faced more violence because accountability to the law has limited what security services are permitted to do. Democracy thus generates technical regression in repression, which can potentially more than fully offset accountability, so that democracy increases the risk of violence.

*A priori* the relative potency of these opposing effects of democracy is ambiguous and in Collier and Rohner (2008) we investigate it empirically. However, we suggest that the accountability effect becomes more potent as income rises. Hence, while the net effect is ambiguous,

it is systematically related to income. A corollary is the possibility that there is a threshold level of income at which the net effect is zero, being differently signed above and below this threshold.

Why might we expect the accountability effect to vary with the level of income? First, as income increases the structure of the economy changes with a rising share of government spending. This can be expected to enhance the importance of the accountability effect of democracy since accountability can be presumed to increase the efficiency of government spending. As this efficiency bonus of democracy will be proportionately more important at higher levels of income, rebellion-for-democracy will tend to have a larger payoff. This in turn implies that democracy might be more peace-promoting at higher levels of income.

A second change in the structure of the economy as income rises is that the share of primary commodities declines. This is important because primary commodities generate “loot-seeking” opportunities which are one motivation for rebellion (Collier and Hoeffler, 2004). If at low levels of income “loot-seeking” rather than accountability is the predominant motivation for rebellion, enhanced accountability due to democracy may have little effect.

Third, as income increases individual preferences change. Inglehart (1997) finds that the “instrumental” goal of material reward becomes less important relative to the more abstract goals of ideology and identity. A corollary is that “loot-seeking” opportunities will become less valued relative to accountability: a lack of democracy will be more provoking at higher levels of income.

Further, as shown by Weinstein (2005), even for a given set of individual preferences the aggregate preferences of the rebel organization are endogenous to the structure of economic opportunities. Where loot-seeking opportunities are prominent, adverse selection in recruitment ensures that the goals of the rebel organization become instrumental. Hence, the

preferences of the rebel organization give more weight to abstract goals such as that of democratic accountability at higher levels of income.

In Collier, Hoeffler and Rohner (2009) we argue that rebellion takes place whenever it is *feasible*. This argument can also account for why democracy is more dangerous in poor countries. As shown in our empirical analysis, rebellion is hardly ever feasible in rich countries, due to large opportunity costs. Hence in such a setting political liberalization bears small risks, whereas in poor countries the risks are larger.

Finally, a further argument why democracy bears risks of politically motivated violence is made by Esteban, Morelli and Rohner (2010). “Looming elections” make that population sizes matter more for future rent-sharing. In countries with low economic productivity it can be lucrative for ruthless rulers to engage in ethnic cleansing to be able to physically reduce the size of opponent groups. This allows them to capture a larger share of future rents. The incentives for such strategic massacres of civilians are smaller in rich countries, as the loss of human capital is larger when mass killings occur.

An implication of each of the mechanisms described above is that the accountability effect of democracy, whereby the incentive for political violence is reduced, becomes more potent as income rises. Indeed, as income rises, not only might democracies become safer, but the greater weight placed upon the goal of accountability might make autocracies absolutely more prone to violence.

Having suggested that the net effect of democracy on political violence is *a priori* ambiguous, and that it will vary systematically with income, we investigate the relationship empirically in Collier and Rohner (2008). First, we substantiate the regression-in-repression effect: democracies are indeed constrained in deploying a key standard technique of suppressing political violence. We take the accountability effect of democracy to be uncontroversial so that the substantiation of regression-in-repression is suf-

ficient to make the net effect of democracy on violence ambiguous.

Second, we show that across all the main types of political violence, and across all the main quantitative models, the net effect of democracy on violence improves with income and *that below a threshold level of income democracy increases violence*. We do not aspire to establish which of the various possible mechanisms are responsible for the changing net effect of democracy. Given that democracy has a regression-in-repression effect alongside its effect on accountability, a shift in the balance between these two is a potential explanation. However, our empirical results are likely to be consistent with others.

While these results are troubling, they do not necessarily call into question the promotion of democracy. Rather, they might imply that in low-income countries international promotion of democracy needs to be complemented by international strengthening of security.

Since our study, further research has analyzed the effect of democracy on civil wars. An interesting field experiment in Nigeria in 2007 was conducted by Collier and Vincente (2010). They show that voter intimidation results in a smaller voter turnout, and that mostly opposition forces make use of such strategies. This implies that incumbents have a comparative advantage in alternative strategies, such as votebuying and ballot fraud.

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