

Poverty & Violence

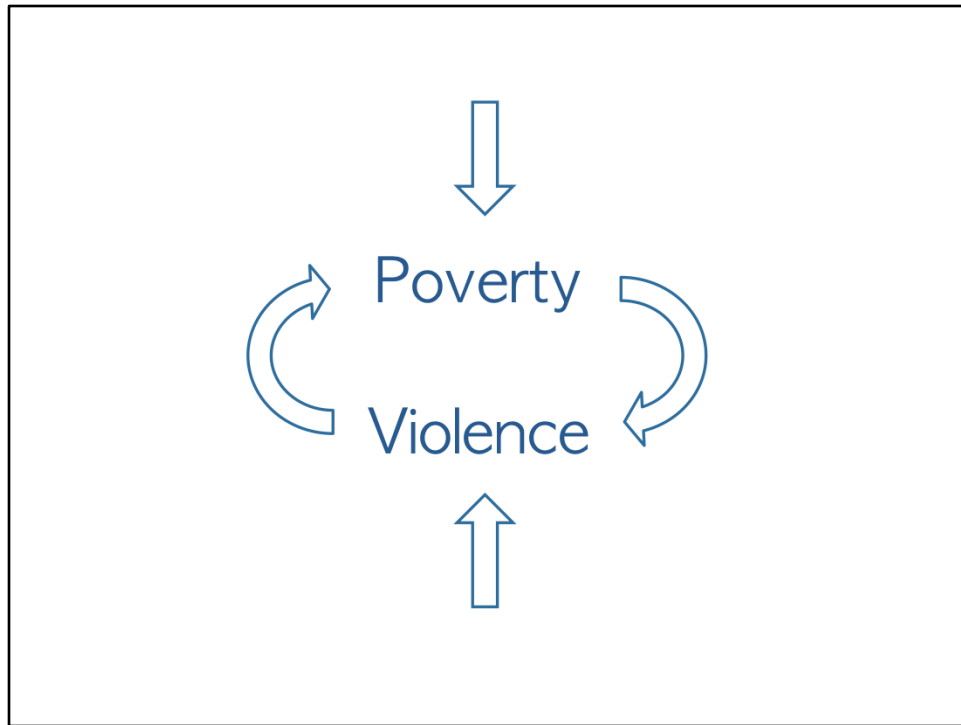
The Micro-Level Evidence

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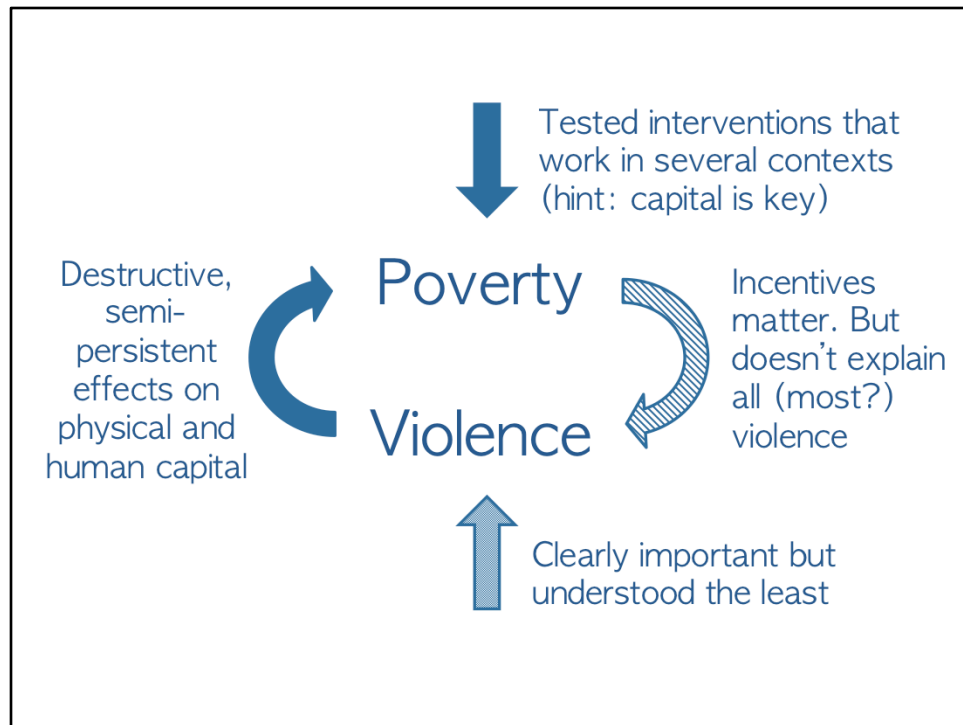


Violence may increase poverty. And poverty could raise the risk of violence. If both links are true there is a risk of a “vicious cycle”.



It's difficult to talk about poverty and violence without thinking about the micro-level causes of poverty and violence.

External variation in poverty and violence can also help us identify the causal links between the two—size, direction and significance.



If I had to sum up this presentation in one slide I'd do it as follows.

We can start with the poverty and violence link, where the evidence base is broadest (and shows the strongest causal link). Moving clockwise, the evidence gets scantier and also less persuasive of a link.

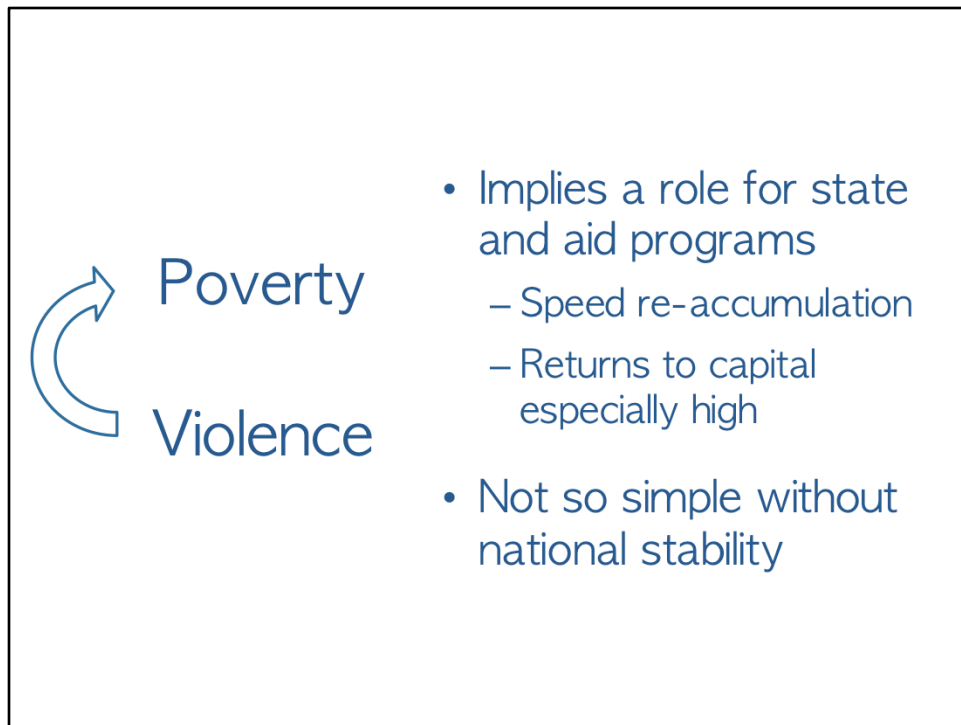


A number of economists have used variation in war violence to look at the effects at the individual and district level, from a wide range of countries.

A few findings emerge. Basically, war destroys the inputs that make income generation possible, especially human and physical capital.

After war, given a measure of political stability, capital tends to accumulate again, often rapidly. In a number of contexts, after a decade or three many of the effects of war are erased.

Physical capital tends to bounce back faster than human capital. This is likely because there are limits on how fast health and education can be acquired, and also because, once lost they may be hard to regain. For instance dropouts may be unlikely to return to school and certain injuries may never heal.



In this case, what policy can do is help speed the pace of recovery by making human capital easier to regain, or by providing capital.

Everything hinges on political stability. People and firms and governments invest when there is a reasonable expectation of a return and low risk. When war is likely to break out again, when wars end with more repressive regimes or poorer protection of property, then recovery and re-accumulation will not follow. Policies designed to speed recovery could have little effect.

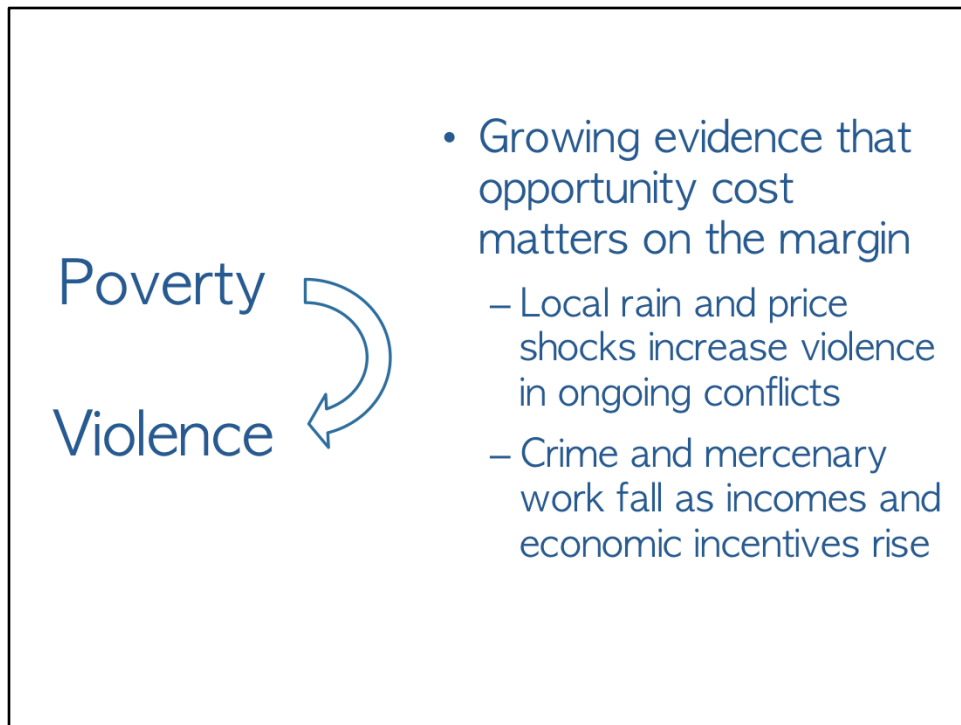


Next we turn to the other possible causal link. There are a number of reasons poverty might cause violence at the individual level. Here are two.

I limit myself to focusing on the most micro of all questions: why men would riot or rebel. You could also discuss how politicians and organizations mobilize force, organize elites, and so forth. That’s an important topic. But I don’t think we have many studies or answers.

The first is that crime and rebellion can be an occupational choice like any other, and when wages rise to peaceful work, the incentives to steal or rebel go down. That is, there’s an opportunity cost to some forms of violence.

Another view holds that inequality and frustrated ambitions lead to outrage and a sense of injustice, and that’s a powerful, powerful motivator. I’ll come back to this in a minute.



There are a few bodies of work that tell us that our intuition is right: men respond to incentives, and when the returns to farming or business or wage work go down, they're more easily recruited by gangs or armed groups.

One set of studies link falls in commodity prices or bad years of rainfall to increase fighting in civil wars. These shocks don't necessarily start new wars, but they intensify new ones. A reasonable interpretation is the opportunity cost argument: armed groups on all sides find it easier to recruit, so there are more battles and deaths.

Most of these studies are at the cross-national level, however. A couple look at city or district-level data. That's not really the sensible unit of analysis. This is an individual mechanism and we'd like to see individual data.

In the US and Europe we see that crime rises when wages fall. But this is mostly just a correlation. Some experiments and other studies show that more education causes less US crime, but this could be peer effects or socialization rather than better wages. Even so, they point to a link.



Example: High risk men in Liberia

Illegally extracting resources, potential mercenaries

One piece of evidence from poor countries comes from an experimental study I ran with Jeannie Annan. We evaluated a program that targeted high-risk young men in Liberia.

The UN identified about 10,000 men, mostly ex-combatants, illegally extracting resources like gold. They wanted to curb this activity and lessen the risk these men could be recruited into nearby conflicts or election violence and the like.



Give skills and inputs to be farmers?

Half offered 4 mo training and \$125 in inputs

The men were offered a program of agricultural training and in-kind inputs like seeds, tools, or animals. What was interesting is that most of them were very keen on becoming cash croppers. Most were already farming, since rice and other food is so expensive in these remote mining locations. But they wanted a different life and saw farming as important and respectable and profitable.

They were right, to an extent. After going home from the program, we followed them up about a year and a half later. Compared to a control group, they had increased their hours in agriculture by about a quarter and decreased their hours in illicit resource extraction by about the same.



Reduced crime and mercenary recruitment

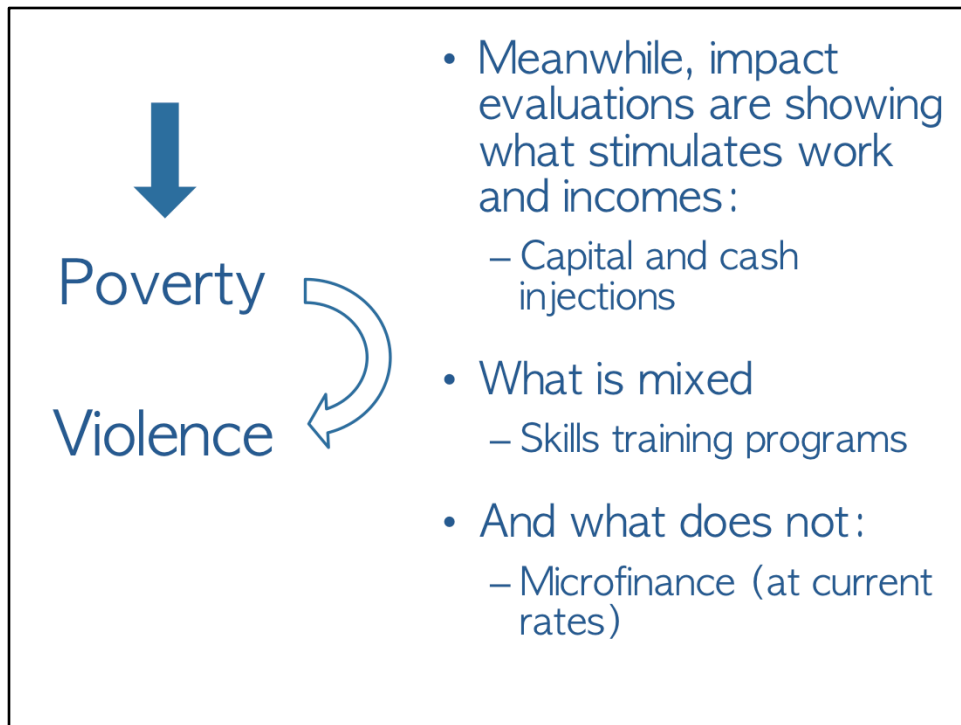
Anticipation of future transfers may have been important

What's more, when war broke out in neighboring Cote d'Ivoire, they were less likely to report interest in fighting, or participating in mercenary recruitment events.

The war ended before many Liberians could go, so we can't see any effects on actual recruitment. But reported mercenary contracts, attendance at recruitment meetings, or movements towards the border towns where people were massing all went down.

What's interesting is that men who specialized in animals rather than farming were still waiting for their animals (or a cash equivalent) more than a year after the program, when the Cote d'Ivoire recruiting heated up. The ones expecting a future transfer wouldn't get it if they went to fight. They were the least interested in mercenary activities.

So incentives matter.



The good news is that we also have some strategies that work well to reduce poverty in post-conflict contexts, and poor countries in general. We also know what doesn't work.

The evidence is starting to tell us that returns to skills programs are modest, and these programs are costly.

Microfinance also does many good things, like help people survive shocks to health or incomes, but reducing poverty is not one of them. Even nonprofit microfinance is too expensive to finance investment and business growth.

But it seems that most poor people are constrained in their access to cheap capital, and when they get it—either through a cash transfer or an in-kind donation—they use it well and succeed. Even one-time transfers can raise earnings permanently.*



\$400/person grants to groups of youth in N. Uganda

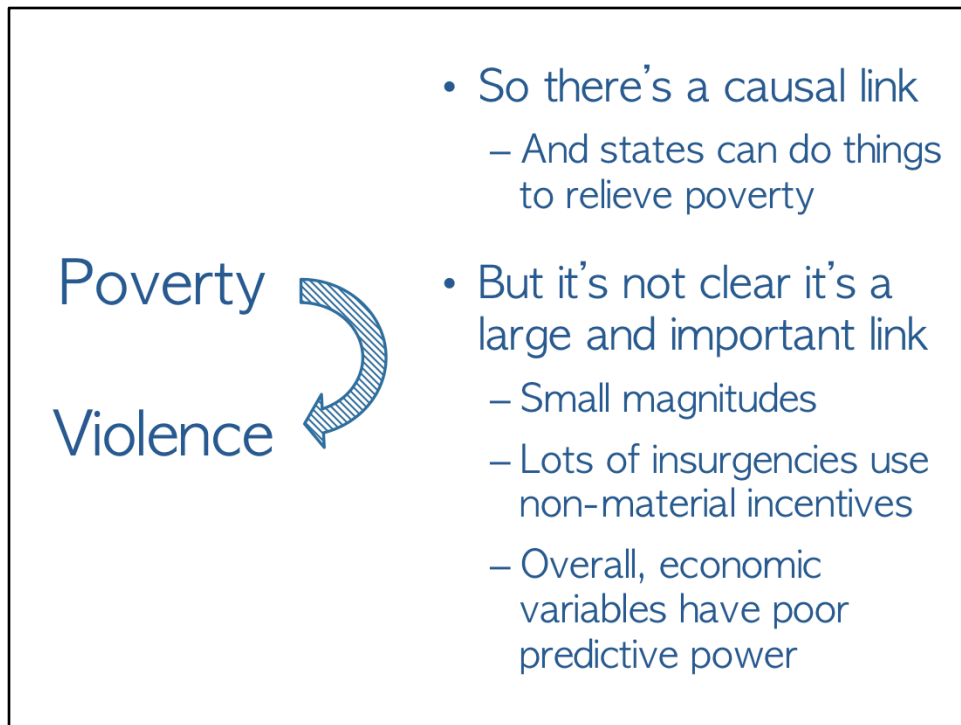
Most start and sustain vocational enterprises

Earnings increase 40%, work hours increase 17%

One post-conflict example comes from northern Uganda, where I evaluated a cash transfer program for young adults. Groups of 20 people prepared a business plan asking the government for about \$8000, and the government granted hundreds of these, unsupervised.

You might think this is risky. But mostly people invested the money in their plans, getting skills, tools and materials to start trades like carpentry and tailoring. Their work hours went up (they were underemployed before) and their earnings were 40% higher after 4 years.

These were large sustained gains in part because these young people had potential but not the funds to fulfill it.



This is good news, because it means that states can do something about poverty on a large scale, and there's some evidence this can deter crime and mercenary violence, or make it more expensive to recruit people for ill.

The trouble is, none of this evidence suggests it's a large or strong link. It exists. Incentives matter on the margin. But it's not clear this explains most of the recruitment and violence we see.

The magnitudes on most of the estimates in these papers are sizable but not huge.

Plus we see many insurgencies that recruit on ideology, on nationalism or ethnic pride, or other bases. Not all pay wages or motivate men with loot. And few of the organizers (or terrorists, or rebel fighters) are the poorest in their societies.

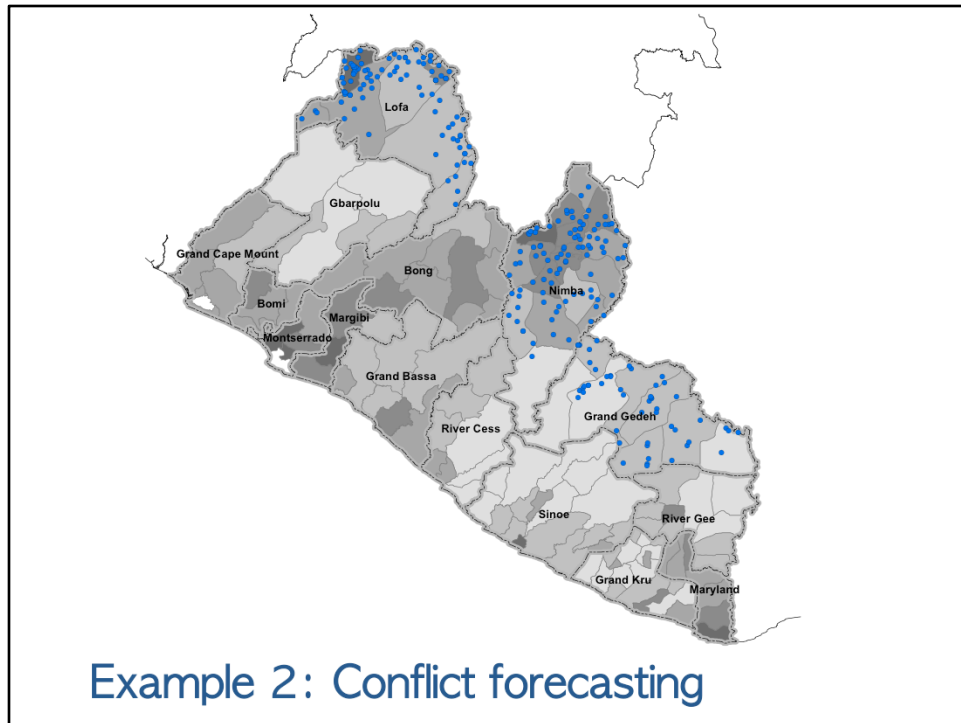
Finally, it's not clear these economic variables have much predictive power for violence.



Example 1 : Uganda employment program

Little impact in aggression or political behavior, including attitudes to and participation in anti-government protest

One example comes from the Uganda employment program I mentioned a moment ago. When an opportunity came to protest (some of which turned violent) receiving the program didn't affect participation or even attitudes to participation and the violence. This is not the best test, but it's consistent with other studies of protest and rioting. Poverty seems to have little to do with people's decisions to engage.



Another comes from formal attempts to forecast violence.

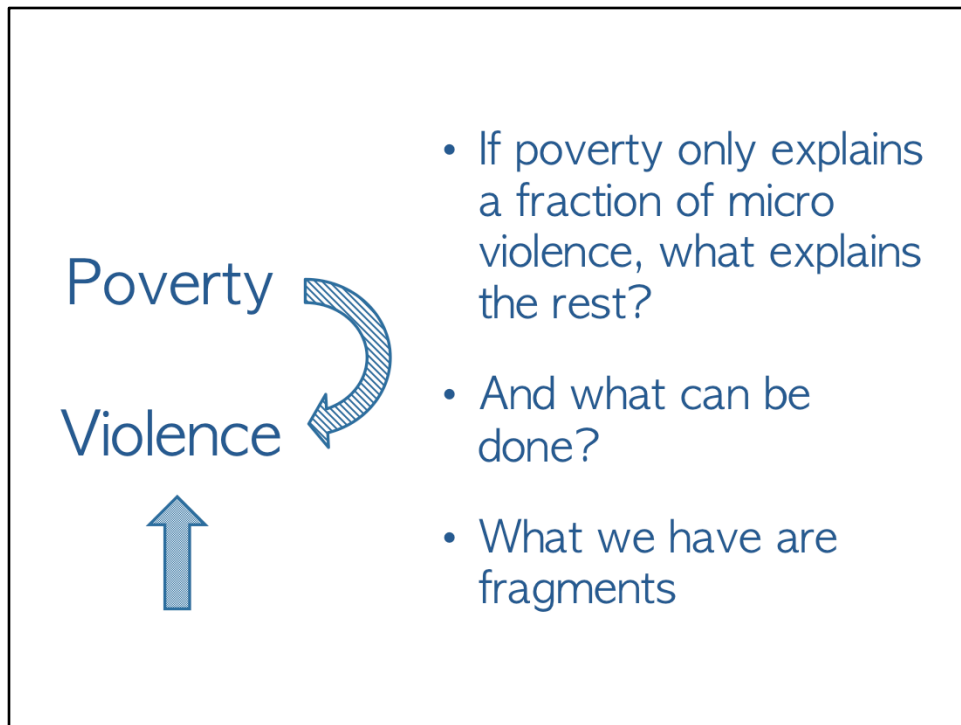
There have been a good number of attempts to predict outbreaks of violence cross-nationally. If the economic relationships are strong, then changes in growth or incomes or other economic variables should be good at predicting future violence. Test after test shows these don't have much predictive power.

Some coauthors and I find the the same thing at the local level. We collected data on 250 villages in post-war Liberia for another study, and happened to have data on village-level violence, such as clashes between ethnic groups or mob violence.

We ran a number of different prediction models on 2008 and 2010 data, fine tuning the models. Then we made predictions about the future, tied our hands, and went and collected the data for 2012.

First the models did well: they correctly predicted more than 80% of the violent outbreaks, while being 50% accurate overall. There were many false positives, but few false negatives. It did way better than I expected.

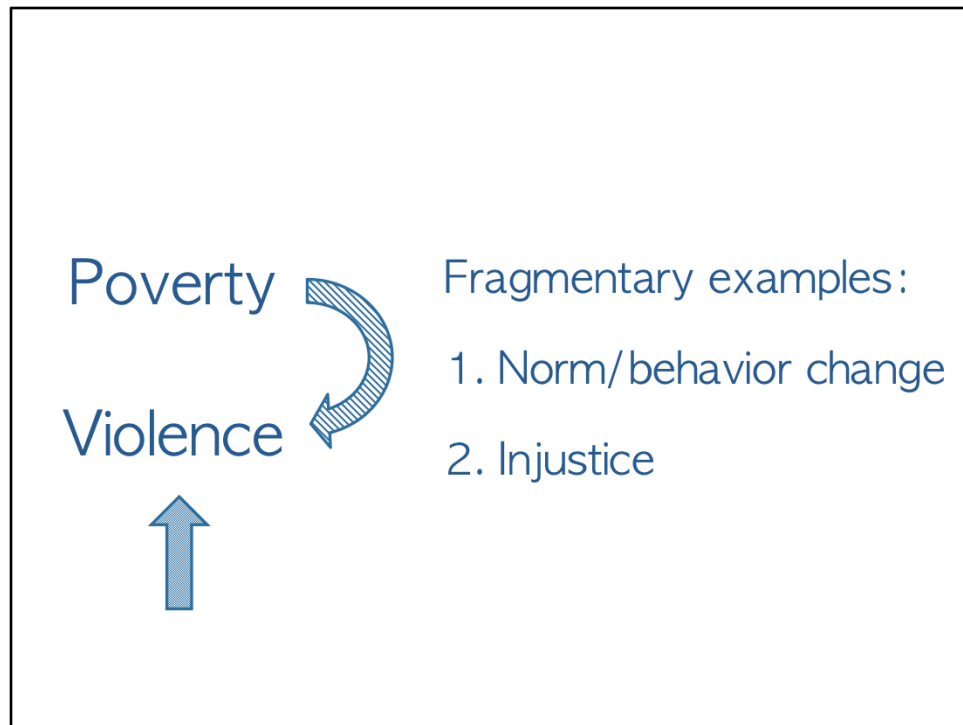
Second, none of the economic variables seemed to matter. We don't have the perfect economic data, but this is the same thing we find in the cross-national data. Social cleavages do much better.



OK. So opportunity cost matters but maybe not a whole lot.

So what does explain violence?

Here the research progress is a little more fragmentary. We have a few points scattered about, and if we connect the dots they begin to form a picture. It might not be the right picture. We need more studies (dots) to see.



But here are two examples I think are compelling. One has to do with social norms. And one with injustice.



1a. Dispute resolution through mass education

Property disputes in Liberia villages increased a little but became less violent and more likely to be resolved

First I want to talk about norms.

In Liberia, in 2008, I worked in roughly 250 rural villages. About one in five families reported a property dispute that year, over boundaries and the like. Most disputes were resolved in one way or another, but about a fifth remained unresolved, and many resulted in some kind of interpersonal violence or property destruction.

The answer, according to the UN and an NGO, was to provide mass education on alternative dispute resolution. The idea was partly to give people better skills and practices of dispute resolution. To this end they trained about 15% of the adults in each village for 8 days each. The reason they wanted to reach so many is that they wanted to change the general way people thought disputes ought to be resolved, to get people to coordinate on specific ways to resolve, and create a general expectation these new practices would be followed: a new norm.

We evaluated the program. After 18 months, compared to control villages rates of dispute resolution were higher, and the disputes were less violent. Recently we went back for a three-year follow-up and there are some persistent effects, though they've declined since in general property disputes have declined.

We can't say whether the program imparted skills or norm, but the evidence suggests



1b. 8-week program of behavior change therapy

Large drops in crime, aggression and drug use among
Liberian street youth

I had a similar surprise working with street youth in Liberia's capital. We stumbled across a local nonprofit that tried to help young men engaged in crime, drugs, or violence turn their lives around. They offered 8 weeks of group counseling that resembled a mix of motivational speaking and cognitive behavior therapy (CBT). It resembled CBT in that the men would practice small ways of acting better and behaving like "normal" people in peacetime.

The men knew what was right and wrong in general society. They didn't necessarily hold them or their peers accountable those norms, though. One aim of the program was to try to get them to identify with larger society and adopt those norms of behavior.

We're still puzzling through why it worked, but after a year we see incredibly persistent reductions in crime, violence, and drug use. These are largest when the men also received some cash.

There's something important here that we as social scientists don't fully understand (or agree on). But these two examples suggest that training and persuasion can lead to much more peaceful behavior.

Presumably less well-intentioned people can use the same tools to ferment violence rather than peace. We ought to learn more about this.



2a. Ethnographic literature: Exposure to injustice motivates joining a rebellion

My second set of fragments is around injustice.

Political scientists have spent a long time studying peasant revolutions, such as Libby Wood in El Salvador or Jim Scott in Southeast Asia. Injustice is a common thread across motivations.

It varies case by case, but what these qualitative studies keep saying is that people solve the collective action problem inherent in revolution because they intrinsically value the fighting. And they intrinsically value fighting when they are outraged over something unjust.

Libby argued that the men who fought in El Salvador did not expect more land or material benefits during or after the war. One big difference between the those who fought and those who didn't, she argued, was that those who fought did so after the government committed some act of violence against them or their families. They wanted to right an injustice, and they fought for the sake of expressing that.



2b. Exposure to violence is activating?

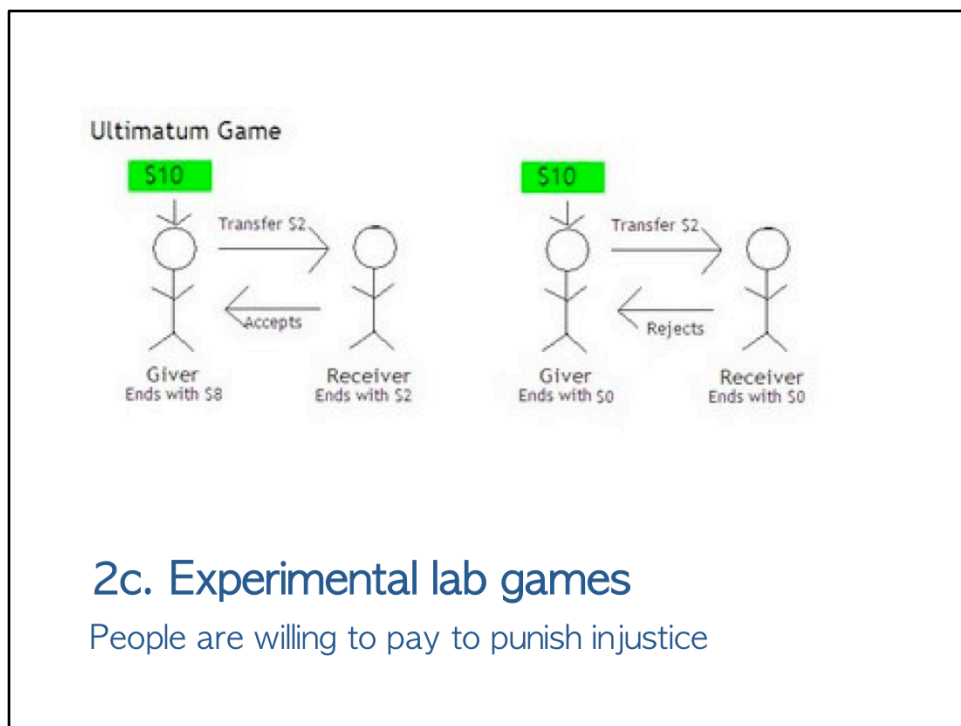
Growing evidence sees increased political participation and pro-social preferences among victims of violence

This could fit with another surprising finding that has emerged in the last few years, starting with some of my own work in northern Uganda with children abducted into the armed group.

It turns out that former child soldiers, when they've returned home after escape or the end of the war, are more likely to vote and more likely to be community leaders than their non-abducted peers.

In a growing number of cases, people have found a large correlation between exposure to violence and increased political engagement or more altruistic and public-oriented actions. The cases are all different and none are perfectly comparable, but it's an emerging fact and puzzle.

One explanation is that violence forces a taking stock of one's life, or the right path for society. One might even want to right wrongs. The role of unjust violence in motivating these behavior changes is unclear, but it's an interesting fragment of evidence.



Then we have data from an entirely different world—lab experiments carried out with everyone from college students to small-scale and primitive societies around the world.

Ernst Fehr pioneered these studies of something called the “ultimatum game”. Basically, I get \$10 and you get 0. I get to choose some amount between a penny and \$10 to give to you, and if you refuse, we both get zero.

Rationally, you should take the penny and be thankful. But that’s not what people do. The world round, if I give you less than two or three dollars you will refuse us both any money. That is, you’ll pay substantial amounts to punish an injustice. When they play with an impartial third party to adjudicate, he also pays to punish me for giving less than a dollar or two.

This raises the possibility we have an injustice bone in our bodies. Hit it and we’ll take costly actions to right the wrong.

It’s a big jump from here to rebelling in El Salvador over violence. But it’s not an unthinkable one.



My last fragment is courtesy of Hollywood. Think of every action movie you've ever seen.

The bad guy commits some heinous injustice against the hero. The hero spends the rest of the movie taking to most ridiculous efforts and risk to punish the bad guy and right the wrong. And to some extent we believe it.

Maybe more importantly, we pay 415 to watch it. This is economist Matt Rabin's way of looking at it: we pay \$15 to see justice done.

I don't know what this adds up to, but clearly there is some important motivator of human behavior we don't fully understand. The people who mobilize for protests or rebellions might understand and use this implicitly. I'd like to see quantitative social science make it a bit more explicit. Put it to the test.



I think this charts some paths forward.

States and aid organization have some tried and true tools for relieving poverty, and they can continue to use and test and refine them in fragile situations. We still have a lot to learn, but we know a lot more than we did a few years ago. Let's look at the denominator (cost) as well as the numerator (impact) however. Too many programs deliver benefits at absurd cost.

I think we can trust that anti-poverty programs, such as conditional cash transfers, could deter some rebellion by making it more costly to recruit people. That's great. If we experiment more we may discover ways to ramp that up.

But I think the big mystery is the other 95% of violence, and the other things that drive men to rebel. Surveys, field experiments, and other quantitative methods have made little headway so far. But that's mainly because few have tried. Donors and states and social mobilizers are already trying out programs every day. We need to figure out and test the social science embedded in what they do.