

## **Greed and Grievance in Civil War**

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### *Abstract*

We investigate the causes of civil war, using a new data set of wars during 1960-99. Rebellion may be explained by atypically severe grievances, such as high inequality, a lack of political rights, or ethnic and religious divisions in society. Alternatively, it might be explained by atypical opportunities for building a rebel organization. Opportunity may be determined by access to finance, such as the scope for extortion of natural resources, and for donations from a diaspora population. Opportunity may also depend upon factors such as geography: mountains and forests may be needed to incubate rebellion. We test these explanations and find that opportunity provides considerably more explanatory power than grievance. Economic viability appears to be the predominant systematic explanation of rebellion. The results are robust to correction for outliers, alternative variable definition, and variations in estimation method.

The findings, interpretations, and conclusions expressed in this paper are entirely those of the author. They do not necessarily represent the views of the World Bank, its Executive Directors, or the countries they represent.

## 1. Introduction<sup>1</sup>

Civil war is now far more common than international conflict: of the 25 major armed conflicts listed by the Stockholm International Peace Research Institute for 2000, all but two were internal.

In this paper we develop an econometric model which predicts the outbreak of civil conflict. Analogous to the classic principles of murder detection, rebellion needs both motive and opportunity. The political science literature explains conflict in terms of motive: the circumstances in which people *want* to rebel are viewed as sufficiently rare to constitute the explanation. In Section 2 we contrast this with economic accounts which explain rebellion in terms of opportunity: it is the circumstances in which people *are able* to rebel that are rare. We discuss measurable variables which might enable us to test between the two accounts and present descriptive data on the 78 large civil conflicts that occurred between 1960 and 1999. In Section 3 we use econometric tests to discriminate between rival explanations and develop an integrated model which provides a synthesis. Section 4 presents a range of robustness checks and Section 5 discusses the results.

We conclude that opportunities are more important in explaining conflict than are motives. A particularly powerful risk factor is dependence upon primary commodity exports. A likely explanation is the scope these activities provide for extortion by rebel organizations. Whether such extortion directly motivates rebellion, or simply makes viable the violent pursuit of other objectives, is beyond the scope of our paper.

## 2. Rebellion: Approaches and Measures

### *Preferences, perceptions and opportunities*

Political science offers an account of conflict in terms of motive: rebellion occurs when grievances are sufficiently acute that people want to engage in violent protest. In marked contrast, a small economic theory literature, typified by Grossman (1991, 1999), models rebellion as an industry that generates profits from looting, so that 'the insurgents are indistinguishable from bandits or pirates' (Grossman, 1999, p.269). Such rebellions are motivated by greed, which is presumably sufficiently common that profitable opportunities for rebellion will not be passed up.<sup>2</sup> Hence, the incidence of rebellion is not explained by motive, but by the atypical circumstances that generate profitable opportunities. Thus, the political science and economic approaches to rebellion have assumed both different rebel motivation – grievance versus greed – and different explanations – atypical grievances versus atypical opportunities.

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<sup>1</sup> We would like to thank Alberto Alesina, Todd Sandler and a referee for comments. Previous versions of this paper have benefited from presentations at LSE, Oxford, Princeton, CERDI, the World Bank and a CEPR conference in Lisbon.

<sup>2</sup> By the 'Machiavelli Theorem' (Hirshleifer, 2001, p. 10-11) no one will pass up a profitable opportunity to exploit someone else.

Hirshleifer (1995, 2001) provides an important refinement on the motive-opportunity dichotomy. He classifies the possible causes of conflict into preferences, opportunities and perceptions. The introduction of perceptions allows for the possibility that both opportunities and grievances might be wrongly perceived. If the perceived opportunity for rebellion is illusory – analogous to the ‘winners’ curse’ – unprofitability will cause collapse, perhaps before reaching our threshold for civil war. By contrast, when exaggerated grievances trigger rebellion, fighting does not dispel the misperception and indeed may generate genuine grievances.

Misperceptions of grievances may be very common: all societies may have groups with exaggerated grievances. In this case, as with greed-rebellion, motive would not explain the incidence of rebellion. Societies that experienced civil war would be distinguished by the atypical viability of rebellion. In such societies rebellions would be conducted by viable not-for-profit organizations, pursuing misperceived agendas by violent means.

Greed and misperceived grievance have important similarities as accounts of rebellion. They provide a common explanation – ‘opportunity’ and ‘viability’ describe the common conditions sufficient for profit-seeking, or not-for-profit, rebel organizations to exist. On our evidence they are observationally equivalent since we cannot observe motives. They can jointly be contrasted with the political account of conflict in which the grievances that both motivate and explain rebellion are assumed to be well-grounded in objective circumstances such as unusually high inequality, or unusually weak political rights. We now turn to the proxies for opportunities and objective grievances.

### *Proxies for opportunity*

The first step in an empirical investigation of conflict is a clear and workable definition of the phenomenon. We define civil war as an internal conflict with at least 1,000 combat-related deaths per year. In order to distinguish wars from massacres, both government forces and an identifiable rebel organization must suffer at least 5% of these casualties. This definition has become standard following the seminal data collection of Singer and Small (1982, 1994). We use an expanded and updated version of their data set that covers 161 countries over the period 1960-99 and identifies 78 civil wars, listed in Table 1. Our task is to explain the initiation of civil war using this data.

We now consider quantitative indicators of opportunity, starting with opportunities for financing rebellion. We consider three common sources: extortion of natural resources, donations from diasporas, and subventions from hostile governments.<sup>3</sup>

Klare (2001) provides a good discussion of natural resource extortion, such as diamonds in West Africa, timber in Cambodia, and cocaine in Colombia. In Table 2, we proxy natural resources by the ratio of primary commodity exports to GDP for each of the 161 countries. As with our other variables, we measure at intervals of five years, starting in 1960 and ending in 1995. We then consider the subsequent five years as an ‘episode’ and compare those in which a civil war broke out (‘conflict episodes’) with those that were

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<sup>3</sup> We list the data sources and definitions in the appendix.

conflict-free ('peace episodes'). The descriptive statistics give little support to the opportunity thesis: the conflict episodes were on average slightly *less* dependent upon primary commodity exports than the peace episodes. However, there is a substantial difference in the dispersion. The peace episodes tended to have either markedly below-average or markedly above-average dependence, while the conflict episodes were grouped around the mean.<sup>4</sup> Possibly if natural resources are sufficiently abundant, as in Saudi Arabia, the government may be so well-financed that rebellion is militarily infeasible. This offsetting effect may make the net effect of natural resources non-monotonic.<sup>5</sup> The observed pattern may also reflect differences between primary commodities (which we defer to Section 3). Further, primary commodities are associated with other characteristics that may cause civil war, such as poor public service provision, corruption and economic mismanagement (Sachs and Warner, 2000). Potentially, any increase in conflict risk may be due to rebel responses to such poor governance rather than to financial opportunities.

A second source of rebel finance is from diasporas. Angoustures and Pascal (1996) review the evidence, an example being finance for the Tamil Tigers from Tamils in north America. We proxy the size of a country's diaspora by its emigrants living in the US, as given in US Census data. Although this neglects diasporas living in other countries, it ensures uniformity in the aggregate: all diasporas are in the same legal, organizational and economic environment. We then take this emigrant population as a proportion of the population in the country of origin. In the formal analysis we decompose the diaspora into that part induced by conflict and that which is exogenous to conflict, but here we simply consider the crude numbers. These do not support the opportunity thesis: diasporas are substantially *smaller* in the conflict episodes.

A third source of rebel finance is from hostile governments. For example, the government of Southern Rhodesia pump-primed the Renamo rebellion in Mozambique. Our proxy for the willingness of foreign governments to finance military opposition to the incumbent government is the Cold War. During the Cold War each great power supported rebellions in countries allied to the opposing power. There is some support for the opportunity thesis: only eleven of the 78 wars broke out during the 1990s.

We next consider opportunities arising from atypically low cost. Recruits must be paid, and their cost may be related to the income forgone by enlisting as a rebel. Rebellions may occur when foregone income is unusually low. Since non-economists regard this as fanciful we give the example of the Russian civil war. Reds and Whites, both rebel armies, had four million desertions (the obverse of the recruitment problem). The desertion rate was ten times higher in summer than in winter: the recruits being peasants, income foregone were much higher at harvest time (Figes, 1996). We try three proxies for foregone income: mean income per capita, male secondary schooling, and the growth rate of the economy. As shown in Table 2, the conflict episodes started from less than half the mean income of the peace episodes. However, so many characteristics are

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<sup>4</sup> The standard deviation of primary commodity exports is 0.11 for the conflict episodes and 0.19 for the peace episodes.

<sup>5</sup> Collier (2000) provides an illustrative formal model of such a non-monotonic relationship.

correlated with per capita income that, depending upon what other variables are included, the proxy is open to other interpretations. Our second proxy, male secondary school enrollment, has the advantage of being focused on young males - the group from whom rebels are recruited. The conflict episodes indeed started from lower school enrollment, but this is again open to alternative interpretation: education may affect the risk of conflict through changing attitudes. Our third measure, the growth rate of the economy in the preceding period, is intended to proxy new income opportunities. Conflict episodes were preceded by lower growth rates. This is consistent with evidence that the lower is the rate of growth, the higher is the probability of unconstitutional political change (Alesina *et al.* 1996).<sup>6</sup> Although the three proxies are all consistent with atypically low forgone income as an opportunity, low income could also be interpreted as an objective economic grievance.

The opportunity for rebellion may be that conflict-specific capital (such as military equipment) is unusually cheap. We proxy the cost of such capital by the time since the most recent previous conflict: the legacy of weapon stocks, skills, and organizational capital will gradually depreciate. Empirically, peace episodes are preceded by far longer periods of peace than conflict episodes (Table 2). While this supports the opportunity thesis, it could also be interpreted as reflecting the gradual decay of conflict-induced grievances.

Another dimension of opportunity is an atypically weak government military capability. An unambiguous indicator is if the terrain is favorable to rebels: forests and mountains provide rebels with a safe haven. We measure the proportion of a country's terrain that is forested, using FAO data. We could find no equivalent data on mountainous terrain: proxies such as altitude tend to misclassify both plateaus and rugged uplands. We therefore commissioned a new index from a specialist, John Gerrard. The descriptive statistics (Table 2) suggest that terrain may matter: in conflict episodes 25 percent of the terrain is mountainous, versus only 15 percent in peace episodes, although there is no difference in forest cover. Geographic dispersion of the population may also inhibit government capability: Herbst (2000) suggests that Zaire is prone to rebellion because its population lives around the edges of the country. We measure dispersion by calculating a Gini coefficient of population dispersion.<sup>7</sup> In fact, the concentration of the population is slightly *lower* prior to peace episodes (0.57) than prior to war episodes (0.6). Similarly, low population density and low urbanization may inhibit government capability. Empirically, prior to war episodes both population density and urbanization are low (Table 2).

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<sup>6</sup> The economic growth literature concentrates on the analysis of political instability as a determinant of economic growth (see for example Barro 1991, 1997). Alesina *et al.* (1996) estimate a simultaneous equation system of economic growth and political instability. They present support for the hypothesis that political instability reduces growth. Lower growth does not seem to cause political instability, defined as the number of government changes. However, when they define political instability more narrowly as unconstitutional government changes they find that lower growth rates are a causal factor of political instability.

<sup>7</sup> For the calculation of the Gini coefficient we used the population data per 400km<sup>2</sup> cell. Analogous to the income Gini coefficient, the Gini coefficient of population dispersion will be high if the population is concentrated in a relatively small area of the country.

A final source of rebel military opportunity may be social cohesion. Ethnic and religious diversity within organizations tends to reduce their ability to function (Easterly and Levine, 1997, Alesina *et al*, 1999, Collier, 2001). A newly formed rebel army may be in particular need of social cohesion, constraining recruitment to a single ethnic or religious group. A diverse society might in this case reduce the opportunity for rebellion by limiting the recruitment pool. The most widely used measure of ethnic diversity is the index of ethno-linguistic fractionalization. This measures the probability that two randomly drawn people will be from different ethnic groups. We could find no measure of religious fractionalization, but we constructed one equivalent to that of ethnic fractionalization using data from Barrett (1982). If ethnic and religious divisions are cross-cutting, social fractionalization is multiplicative rather than additive. We could find no data relating religious and ethnic divisions and so we construct a proxy that measures the maximum potential social fractionalization.<sup>8</sup> The thesis that social cohesion enhances opportunity is not supported by the descriptive statistics: conflict episodes have atypically high fractionalization. This seems more consistent with a grievance interpretation, to which we now turn.

### *Proxying objective grievances*

We consider four objective measures of grievance: ethnic or religious hatred, political repression, political exclusion, and economic inequality.

Ethnic and religious hatreds are widely perceived as a cause of civil conflict. Although such hatreds cannot be quantified, they can evidently only occur in societies that are multi-ethnic or multi-religious and so our proxies measure various dimensions of diversity. Our previously discussed measures of fractionalization are pertinent: inter-group hatreds must be greater in societies that are fractionalized than in those which are homogenous. However, arguably the source of inter-group tension is not diversity but polarization.<sup>9</sup> Fortunately, the allowable class of measures of polarization is quite limited. We adopt a general measure due to Esteban and Ray, (1994):

$$P = K \sum_{i=1}^n \sum_{j=1}^n \pi_i^{1+\alpha} \pi_j d$$

where  $\pi_i$  denotes the percentage of people that belong to group  $i$  in the total population,  $i=1, \dots, n$ . This measure of polarization depends on the parameters  $K$  and  $\alpha$ .  $K$  does not

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<sup>8</sup>. If there were  $e$  equally sized ethnic groups and  $r$  equally sized religious groups, maximum potential social fractionalization would be measured simply by the product  $er$ . Since both the underlying indices of ethnic and religious fractionalization range on the scale 0-100, their product is zero if there is either religious or ethnic homogeneity whereas there is social homogeneity only if both indices are zero. We therefore measure social fractionalization as the product of the underlying indices plus whichever index is the greater.

<sup>9</sup> The link from polarization to conflict is proposed by Esteban and Ray (1999) and Reynal-Querol (2000) and is common in the popular literature.

change the order, but is used for population normalization. Esteban and Ray show that  $\alpha$  is bounded between zero and 1.6. We calculate the polarization measure for three different values of  $\alpha$ , 0, 0.8 and 1.6, using primary data on ethnic composition.<sup>10</sup> In addition we investigate the variant of the Esteban-Ray measure proposed by Reynal-Querol.<sup>11</sup> These measures indeed distinguish polarization from fractionalization: their correlation coefficient ranges between 0.39 ( $\alpha = 1.6$ ) and 1.0 ( $\alpha = 0$ ).<sup>12</sup> The descriptive data does not suggest that polarization is important: conflict and peace episodes have very similar mean values (Table 2).

We measure political repression using the Polity III data set (see Jagers and Gurr, 1995). This measure of political rights ranges 0-10 on an ascending ordinal scale. Political rights differ considerably between conflict and peace episodes. We also investigate the Polity III measure of autocracy, and a measure of political openness published by Freedom House (the 'Gastil Index'). The quantitative political science literature has already applied these measures to conflict risk. Hegre *et al.* (2001) find that repression increases conflict except when it is severe.

Even in democracies a small group may fear permanent exclusion. A potentially important instance is if political allegiance is based on ethnicity and one ethnic group has a majority. The incentive to exploit the minority increases the larger is the minority, since there is more to extract (Collier, 2001). Hence, a minority may be most vulnerable if the largest ethnic group constitutes a small majority. We term this *ethnic dominance*. In Table 2 we define it as occurring if the largest ethnic group constitutes 45-90% of the population. On this definition it does not appear important: it is as common in peace episodes as in conflict episodes.

The opening page of Sen's *On Economic Inequality* asserts that 'the relation between inequality and rebellion is indeed a close one'. The poor may rebel to induce redistribution, and rich regions may mount secessionist rebellions to preempt redistribution.<sup>13</sup> We measure income inequality by the Gini coefficient and by the ratio of the top-to-bottom quintiles of income. We measure asset inequality by the Gini coefficient of land ownership. The data are from Deininger and Squire (1996, 1998). Inequality is slightly higher prior to the conflict episodes.

### *Scale effects*

Our measures of opportunity, such as primary commodity exports, income, and school enrolment, are scaled by measures of country size. For given values of these variables, opportunities should be approximately proportional to size. Grievance might also

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<sup>10</sup> Our source was *Atlas Narodov Mira*, USSR, 1964.

<sup>11</sup> The Esteban-Ray measure includes a coefficient  $d$  that denotes the degree of antagonism between two different ethnic groups. Obviously, in large samples such as we are using this is not observed. Following Reynal-Querol (2000) we assume that the distance between any two ethnic groups is unity whereas that within the group is zero, so that  $d$  has the properties:  $d=1$  if  $i \neq j$  and  $d=0$  if  $i=j$ .

<sup>12</sup> For  $\alpha = 0$  the polarization measure is equal to the Gini coefficient.

<sup>13</sup> This is analogous to the theory of tax exit proposed by Buchanan and Faith (1987).

increase with size: public choices diverge more from the preferences of the average individual as heterogeneity increases.<sup>14</sup> We are, however, able to control for three aspects of heterogeneity: ethnic, religious and income diversity. Empirically, the conflict episodes had markedly larger populations than the peace episodes.

### 3. Regression Analysis

As set out above, the proxies for opportunity and objective grievances are largely distinct and so can be compared as two non-nested econometric models. There is, however, no reason for the accounts to be exclusive and the aim of our econometric tests is to arrive at an integrated model which gives an account of conflict risk in terms of all those opportunities and grievances that are significant.

We now attempt to predict the risk that a civil war will start during a five-year episode, through a logit regression. We consider only those countries that were at peace at the start of the episode (e.g. January 1965), and predict whether the peace was sustained through to its end (e.g. December 1969). Some of our explanatory variables are time invariant. Those that are not are measured either for the first year of the period (e.g. 1965) or during the preceding five years (e.g. growth during 1960-64). Our results rest on how societies that experienced an outbreak of war differed from those that sustained peace.<sup>15</sup>

We start with the opportunity model (see Table 3). The first regression (column 1) excludes per capita income and diasporas. Because per capita income and enrollment in secondary schooling are highly correlated, they cannot be used in the same regression ( $\rho=0.8$ ). Our diaspora measure is available only for 29 war episodes and so we explore it as an addendum. The variables included in the first regression permit a sample of 688 episodes, including 46 wars.

Primary commodity exports are highly significant. Although their effect is non-linear, the risk of conflict peaks when they constitute around 32% of GDP, which is a high level of dependence. The other proxy for finance, the end of the Cold War, has the expected sign but is insignificant. The foregone earnings proxies are also both significant with the expected sign: secondary schooling and growth both reduce conflict risk. Our proxy for the cost of conflict-specific capital is the number of months since any previous conflict (back to 1945). To distinguish between this interpretation and the danger that the proxy might be picking up fixed effects, we add a dummy variable that is unity if there was a previous conflict post-1945. Our proxy has the expected sign and is on the borderline of significance, while the dummy variable is completely insignificant. When the dummy variable is dropped (column 2) the proxy becomes highly significant and no other results are changed. The proxies for military advantage also have the expected sign and are

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<sup>14</sup> Mounting diversity is the offset to scale economies in the provision of public goods in the model of optimal county size proposed by Alesina and Spolaore (1997).

<sup>15</sup> This approach contrasts with our initial work (Collier and Hoeffler, 1998) in which we used a tobit procedure to study the *duration* of civil war (on a much inferior data set) and argued that the same factors that determined duration would determine the risk of initiation. Collier, Hoeffler and Söderbom (2001) establishes that this is wrong: initiation and duration are radically different processes.

marginally significant: mountainous terrain, population dispersion and social fractionalization. Finally, the coefficient on population is positive and highly significant.

The third column replaces secondary schooling with per capita income. This permits a larger sample – 750 episodes including 52 wars. Per capita income is highly significant with the expected negative sign. However, the change of variable and the expansion of sample have little effect on the other results – social fractionalization becomes significant and population dispersion loses significance. There is little to choose between these two variants of the model – secondary schooling gives a slightly better fit, but per capita income permits a slightly larger sample.

In the last two columns of Table 3 we introduce our diaspora variable. Since many observations are missing, the number of war episodes with complete data is radically reduced. In order to preserve sample size we therefore retreat to a more parsimonious version of the model. We drop four sample-constraining peripheral explanatory variables: social fractionalization, population dispersion, mountainous terrain, and the rate of growth in the previous episode. The remaining explanatory variables are thus per capita GDP, primary commodity exports, population, and the number of months since the previous conflict. Even with these data-restoring deletions, the sample size is reduced to 29 war episodes (and 595 observations). However, all the included explanatory variables remain significant. The size of the diaspora is not directly significant in the initiation of conflict. However, it is significant when interacted with the number of months since the previous conflict. ‘Diaspora/peace’ divides the size of the diaspora by the time since a previous conflict. The variable is positive and significant: a large diaspora considerably increases the risk of *repeat* conflict.

While this result may indicate that diasporas increase the risk of conflict through their finance of rebel organizations, it is also open to a more anodyne interpretation. Diasporas are endogenous to the intensity of conflict: when civil war occurs, people emigrate to the USA. Hence, the size of the diaspora might be proxying the intensity of conflict. The result may therefore be spurious: intense conflicts may have a higher risk of repetition. To test for this we decomposed observed diasporas into a component which is exogenous to the intensity of conflict and a residual endogenous component. For this decomposition we estimated a migration model, reported in Appendix Table A1. The size of the diaspora in a census year is predicted to be a function of its size in the previous census, time, per capita income in the country of origin, and whether there was a war in the intervening period. This model predicts the size of the diaspora with reasonable accuracy. For years subsequent to a conflict we replace the actual data on the size of the diaspora with an estimate from this regression. Thus, all post-conflict observations of diasporas are estimates which are purged of any effect of the intensity of conflict. The difference between actual and estimated figures is then used as an additional variable, measuring that part of the diaspora which is potentially endogenous to the intensity of conflict. Both of these measures are then introduced into the regression in place of the previous single measure of the diaspora. The results are reported in the final column of Table 3. The purged measure of the diaspora remains significant, and the size of the coefficient is only slightly altered (it is not significantly different from that on the endogenous diaspora

measure). This suggests that there is indeed a substantial causal effect of the diaspora on the risk of conflict renewal. The result also guides our interpretation of why the risk of conflict repetition declines as peace is maintained. Recall that in principle this could be either because hatreds gradually fade, or because 'rebellion-specific capital' gradually depreciates. How might diasporas slow these processes? Diasporas preserve their own hatreds: that is why they finance rebellion. However, it is unlikely that the diaspora's hatreds significantly influence attitudes among the much larger population in the country of origin. By contrast, the finance provided by the diaspora can offset the depreciation of rebellion-specific capital, thereby sustaining conflict risk.

In Table 4 we turn to objective grievance as the explanation of rebellion, dropping all the economic measures of opportunity.<sup>16</sup> We retain the number of months since a previous conflict, since (subject to our discussion above) this can be interpreted as proxying fading hatreds. In the first column we also exclude the inequality measures due to considerations of sample size. This enables a very large sample of 850 episodes and 59 civil wars.

The four proxies for ethnic and religious tension are surprisingly unimportant in view of the attention that the phenomenon attracts. Ethnic fractionalization is significant at 10% with the expected sign. Religious fractionalization and polarization are insignificant with the wrong sign, and ethnic dominance is insignificant. Nor are the three measures jointly significant.<sup>17</sup> Democracy is highly significant with the expected sign – repression increases conflict risk. The time since the previous conflict is again highly significant, but we have suggested that this is more likely to be proxying rebellion-specific capital than grievance. In the second and third columns we introduce income inequality and land inequality respectively. Although the sample size is reduced, it is still substantial – over 600 episodes of which 41 (income) and 38 (land) are wars. Neither variable is close to significance.<sup>18</sup> All three grievance models have very low explanatory power with a pseudo  $R^2$  of 0.17 or lower.

We now turn to the question of which model, opportunity or grievance, provides a better explanation of the risk of civil war. Since the two models are non-nested, i.e. one model is not a special case of the other, we use the J-test as suggested by Davidson and MacKinnon (1981). As shown in the first two columns of Table 5, we find that we cannot reject one model in favor of the other.<sup>19</sup> Thus, we conclude that while the opportunity

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<sup>16</sup> We retain the two geographic measures, population dispersion and mountainous terrain. Although their exclusion does not affect the results, non-economists often find the proposition that geographic opportunity affects conflict plausible and inoffensive, while contesting the role of economic opportunity. We retain population size as a scale variable.

<sup>17</sup> At this stage we measure polarization with  $\alpha = 1.6$  and define ethnic dominance as occurring when the largest ethnic group constitutes 45-90 percent of the population. These specifications are justified in Section 4 where we investigate robustness to alternative definitions.

<sup>18</sup> We also tried the ratio of the income shares of the top to the bottom quintiles. This was also insignificant.

<sup>19</sup> The J-test is based on the following artificial nesting procedure. First we explain the risk of civil war,  $p$ , in terms of the two different models, greed and grievance.

(1)  $p=f(\text{greed})$

(2)  $p=f(\text{grievance})$

model is superior, some elements of the grievance model are likely to add to its explanatory power. We therefore investigate the combination of the two models as presented in column 3 of Table 5.

Since this combined model includes income inequality and a lagged term, our sample size is much reduced (479 observations). In column 4 we drop inequality (which is consistently insignificant). Omitting inequality increases the sample size to 665. In this combined model neither democracy, ethnic and religious fractionalization nor the post-Cold War dummy are significant. Other variables are statistically significant or close to significance and the overall fit is reasonable (pseudo  $R^2$  of 0.26). Since both the grievance and opportunity models are nested in the combined model, we can use a likelihood ratio test to determine whether the combined model is superior. We can reject the validity of the restrictions proposed by the grievance model, but not by the opportunity model.<sup>20</sup>

Although the combined model is superior to the opportunity and grievance models, several variables are completely insignificant and we drop them sequentially. First we exclude the post-Cold War dummy, then religious fractionalization, then democracy<sup>21</sup>, then polarization, then ethnic fractionalization and finally mountainous terrain, yielding the baseline model of column 5 and its variant with per capita income replacing secondary enrolment in column 6. No further reduction in the model is accepted, and no additions of variables included in our previous models are accepted. The baseline model and its variant yield very similar results although the variant has less explanatory power and two variables lose significance (ethnic dominance and geographic dispersion).

Our baseline model allows us to calculate the change in the probability of war-starts for different values of the explanatory variables. We present these calculations in Appendix Table 2. At the mean of all variables the risk of a war-start is about 11.5 percent. Our

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Based on these logit regressions we calculate the predicted probabilities and add these predicted values,  $\hat{p}^{\text{greed}}$  and  $\hat{p}^{\text{grievance}}$  to our alternative models.

$$(1) p=f(\text{opportunity}, \hat{p}^{\text{grievance}})$$

$$(2) p=f(\text{grievance}, \hat{p}^{\text{opportunity}})$$

According to the J-test the significance of the coefficients of these added variables enables us to choose between the two different models. If  $\hat{p}^{\text{grievance}}$  is significant in the opportunity model we reject the opportunity model in favor of the grievance model. If  $\hat{p}^{\text{opportunity}}$  is significant in the grievance model we reject the grievance model in favor of the opportunity model. As can be seen in columns 1 and 2 of Table 5,  $\hat{p}^{\text{grievance}}$  is significant in the opportunity model and  $\hat{p}^{\text{opportunity}}$  is significant in the grievance model.

<sup>20</sup> Using the same sample as for the combined model (n=665) we obtain the following results: Opportunity model versus combined model, 5 degrees of freedom, Likelihood Ratio Test (LRT) statistic 7.85 (p=0.165); grievance model versus combined model, 6 degrees of freedom, LRT statistic 29.64 (p=0.000).

<sup>21</sup> We tried different specifications to test for the effect of political repression by investigating non-linear effects, by including the autocracy score instead of the democracy score, and by using the difference between the two variables as suggested by Londregan and Poole (1996). We also tried the Freedom House measure of political freedom, but neither of these alternative political repression measures were found to be significant.

model predicts that a hypothetical country with all the worst characteristics found in our sample would have a near-certain risk of war, while one with all the best characteristics would have a negligible risk. We now calculate how each variable affects the risk of civil war (keeping all other variables at their mean values).

The effect of primary commodity exports on conflict risk is both highly significant and considerable. At peak danger (primary commodity exports being 32% of GDP), the risk of civil war is about 22 percent, while a country with no such exports has a risk of only one percent. The effect is sufficiently important to warrant disaggregation into different types of commodities. We categorized primary commodity exports according to which type of product was dominant: food, non-food agriculture, oil, other raw materials, and a residual category of 'mixed'.<sup>22</sup> Of the many potential disaggregations of primary commodity exports permitted by this data, only one was significant when introduced into our baseline regression, namely oil versus non-oil. The results are reported in column 7. We add variables that interact the primary commodity export share and its square with a dummy variable that takes the value of unity if the exports are predominantly oil. Both variables are significant: oil exports have a distinct effect on the risk of conflict. However, the effect is modest: at the average value of primary commodity exports oil has the same effect as other commodities. Low levels of oil dependence are somewhat less risky than other commodities and high levels of dependence are somewhat more risky. The disaggregation slightly reduces the sample size, does not change the significance of any of the other variables, and substantially improves the overall fit of the model.<sup>23</sup>

Recall that the other proxies for financial opportunities, the Cold War and diasporas, are not included in this baseline. The end of the Cold War does not appear to have had a significant effect. Diasporas are excluded from the baseline purely for considerations of sample size. In the parsimonious variant in which they are included, their effect on the risk of repeat conflict is substantial: after five years of peace, switching the size of the diaspora from the smallest to the largest found in post-conflict episodes increases the risk of conflict six-fold.

The proxies for earnings foregone have substantial effects. If the enrollment rate for secondary schooling is 10 percentage points higher than the average the risk of war is reduced by about three percentage points (a decline in the risk from 11.5 percent to 8.6 percent). An additional percentage point on the growth rate reduces the risk of war by about one percentage point (a decline from 11.5 percent to 10.4 percent). Our other proxy for the cost of rebellion is also highly significant and substantial. Directly after a civil war there is a high probability of a re-start, the risk being about 32 percent. This risk declines over time at around one percentage point per year.

The only measures of rebel military advantage that survive into the baseline are population dispersion and social fractionalization. Consistent with Herbst's hypothesis,

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<sup>22</sup> We would like to thank Jan Dehn for providing us with the data that enabled this disaggregation.

<sup>23</sup> Furthermore, we investigated whether contemporaneous export price changes altered the risk of conflict. We could not find any evidence to support this hypothesis. We would like to thank Jan Dehn for making his data on primary commodity prices available to us (Dehn, 2000).

countries with a highly concentrated population have a very low risk of conflict, whereas those with a highly dispersed population have a very high risk (about 37 percent). Consistent with the hypothesis that cohesion is important for rebel effectiveness, social fractionalization makes a society substantially safer: a maximally fractionalized society has a conflict risk only one quarter that of a homogenous society.

Only one of the proxies for grievance survives into the baseline regression, namely ethnic dominance. If a country is characterized by ethnic dominance its risk of conflict is nearly doubled. Thus, the net effect of increased social diversity is the sum of its effect on social fractionalization and its effect on ethnic dominance. Starting from homogeneity, as diversity increases the society is likely to become characterized by ethnic dominance, although this will be reversed by further increases in diversity. The risk of conflict would first rise and then fall. Note that while these measures in combination are superficially similar to the hypothesized effect of polarization, our measure of polarization itself is insignificant.

Finally, the coefficient on the scale variable, population, is highly significant and close to unity: risk is approximately proportional to size. We have suggested that proportionality is more likely if conflict is generated by opportunities than by grievances.

#### **4. Robustness Checks**

We now test these baseline results for robustness. We consider the sensitivity both to data and to method. With respect to data, we investigate the effect of outlying observations, and of different definitions of the dependent and independent variables. With respect to method, we investigate random effects, fixed effects and rare events bias.

We investigate outlying observations using two different methods. First, we inspect the characteristics of the 46 conflict episodes used in the baseline regression and second, we use a systematic analysis of influential data points. Since our sample is unbalanced as between events and non-events, the potential problems of outliers arises predominantly among the 46 conflict episodes. Of these conflict episodes, 24 were first-time conflicts and 22 were repeat conflicts.

First, the classification of events in Romania in 1989, and in Iran in 1974, 1978 and 1981 as civil wars is in various respects questionable. They are, on our analysis highly atypical of conflict episodes. Both had secondary school enrolments much higher than the other conflict episodes, and Iran also had an atypically high primary commodity export share. In Table 6 column 1 we drop these doubtful observations. No results are overturned, but the performance of the regression improves and all variables are now significant at the one or five percent level.

There are four observations of highly negative growth: Angola in 1970-74, Zaire in 1990-95, Iran in 1975-79 and Iraq in 1980-84. All of these growth collapses appear to be genuine, and they occur in different countries. We now check whether the result that the growth rate affects conflict risk is dependent upon these four observations, deleting them

along with Iran and Romania (Table 6, column 2). Growth remains significant, and its coefficient is only slightly reduced. Hence, we can conclude that the increased risk of conflict due to slow growth is not confined to episodes of growth collapse, but is a more continuous relationship.

We next analyze whether our regression results are sensitive to the inclusion of influential data points. Based on the methods developed by Pregibon (1981)<sup>24</sup> we examined which observations may be influential and investigated whether omitting these observations from our baseline model changed our results. We find three influential observations: Congo 1995-99, Iran 1970-74 and Romania 1985-89. However, when we omitted these three observations from our regression, the overall fit of the regressions improved (from previously  $R^2=0.24$  to  $R^2=0.29$ ) and all of the coefficients remain statistically significant. (Table 6, Column 3).

We now investigate the possibility that a few countries with a high commodity export ratio account for the non-monotonic relationship to conflict risk. This might imply that the reduction in conflict risk only occurred at extreme values of commodity dependence. Four peaceful countries have particularly high values of primary dependence: Saudi Arabia, Guyana, Oman, and Trinidad and Tobago. In Table 6 column 4 we present our baseline model excluding these four high primary commodity exporters. The non-monotonic relationship between primary commodity exports and the risk of conflict remains significant, as do all other results.

We next turn to questions of variable definition. The most contentious aspect of the dependent variable is distinguishing between whether a country has a single long war or multiple shorter wars interrupted by periods of peace. In the above analysis we have been guided by the judgement of the political scientists who built the original data sets. Some peace periods are, however, quite short and it might be better to conceptualize these as interludes in a single war. We first reclassified all those wars that were separated by peace periods of less than one month as continuous wars (column 5). The baseline results are not altered by this redefinition. We then reclassified those wars separated by less than a year as continuous wars (column 6). The only result to be affected is that the growth rate becomes marginally insignificant ( $p=0.12$ ), although its coefficient is little changed.<sup>25</sup>

We investigated how robust our results are to the definition of ethnic dominance and social fractionalization. In the baseline we define ethnic dominance as the largest ethnic group constituting 45-90 percent of the population. We investigate other definitions that either vary the range of the population or use the share of the largest group regardless of its size. As the range is changed from 45-90 percent the significance level and the coefficient are both reduced, while if the definition is changed more radically to being the

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<sup>24</sup> Long (1997) pp.98-101 provides a discussion of influence in limited dependent variable models.

<sup>25</sup> We also examined the effect of time since the previous conflict in more detail by including the natural logarithm of the peace variable or its square, however, a linear decay term provides a better fit. Note that the measure of peace since the end of the civil war is somewhat imprecise since we only measure it from the end of the war to the initial year of each sub-period. A duration model of post-war peace would allow a more detailed analysis of this peace effect, however, the duration model results in Collier, Hoeffler and Söderbom (2001) support the results presented in this paper.

population share of the largest group it is completely insignificant. We also find that 'social fractionalization', our measure of cross-cutting cleavages, dominates the other possible aggregation procedures for ethnic and religious diversity. When this measure of fractionalization is included with the ethnic and religious diversity indices either together or individually, it is significant whereas the underlying indices are not significant.

In the baseline we use only the most extreme measure of polarization over the range proposed by Esteban and Ray (1994). However, if this measure is replaced by either the lower bound ( $\alpha = 0$ ), or the central measure ( $\alpha = 0.8$ ) the results are unaffected: polarization remains insignificant and the other variables remain significant. We also experimented with the alternative measure proposed by Reynal-Querol (2001), and with the number of ethnic groups, but with the same result.<sup>26</sup>

In Table 7 we investigate a number of different estimation issues. We concentrate on the analysis of random effects, fixed effects, time effects and a correction for rare events. We re-estimated our models using random effects. For the baseline model we find that the panel data estimator is not different from the pooled estimator, i.e. we accept the hypothesis that we can pool across the observations.<sup>27</sup> The estimation of fixed effects logits was only possible on a very small sub-sample of the observations. The countries for which the dependent variable does not vary over time (the majority of countries experienced only peace) cannot be included in the analysis. Although the fixed effects test is very severe, the non-monotonic effect of primary commodity exports remains significant. Were the effect of primary commodity exports dependent only upon cross-section data, it might suggest that the variable was proxying some other characteristic such as geography. However, the fixed effects regression uses only changes in primary commodity dependence, and so reduces the scope for alternative interpretations.<sup>28</sup>

We analyzed whether time effects matter by including time dummies in the model. Based on a log likelihood ratio test we cannot reject the hypothesis that the time dummies are zero.<sup>29</sup>

Finally, in the last column of Table 7 we use a recently developed correction method for rare events data (King and Zeng, 2001). The event we predict (war) occurs in only about seven percent of our observations. King and Zeng show that standard logit estimation

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<sup>26</sup> All of these robustness checks are presented in Collier and Hoeffler (2001).

<sup>27</sup> A LRT provides a  $\chi^2$  statistic of 0 ( $p = 0.998$ ). Thus, we cannot reject the null-hypothesis that the panel data and pooled estimator provide the same results.

<sup>28</sup> We also investigated the effect of commodity prices. Since prices are exogenous, they can be entered contemporaneous with the episode being predicted, whereas our value-based proxy has to be lagged. We would like to thank Jan Dehn for providing data on the weighted prices of commodity exports. We experimented with both the level of export prices and with the change in prices from the previous period. However, in either form when added to the baseline regression the variable was insignificant. The fact that lagged values of exports are significant even in the fixed effects regression suggests that rebels do respond to changes in values, but the response is evidently not so rapid as to give rise to an in-period price response. Potentially, the effect on conflict risk captures the 'voracity effect' predicted by Lane and Tornell (1999) whereby an increase in the price of a natural resource export would induce more than the increment in value to be devoted to conflict. Our results suggest that there may be such an effect but that it is lagged.

<sup>29</sup> The LRT statistic is 7.83, 6 restrictions ( $p=0.251$ ).

tends to underestimate the probability of rare events. We therefore used their correction procedure. The differences between the standard logit results and the rare events corrected results are negligible with all variables significant at the same levels. The mean of the predicted probabilities obtained from the rare events logit regression is 0.072. Thus, we find that the corrected results are very similar to the logit results.

We examined a number of different model specifications. We found that none of the following geographic and demographic characteristics were significant: forest coverage, population density and the proportion of young men aged 15 to 29.<sup>30</sup>

## **5. Interpretation and Conclusion**

Using a comprehensive data set of civil wars over the period 1960-99 we used logit regressions to predict the risk of the outbreak of war in each five-year episode. We find that a model that focuses on the opportunities for rebellion performs well, whereas objective indicators of grievance add little explanatory power. The model is robust to a range of tests for outliers, redefinitions and alternative specifications.

One factor influencing the opportunity for rebellion is the availability of finance. We have shown that primary commodity exports substantially increase conflict risk. We have interpreted this as being due to the opportunities such commodities provide for extortion, making rebellion feasible and perhaps even attractive. An alternative explanation would be that primary commodity dependence worsens governance and so generates stronger grievances. However, we are controlling for economic performance – the level, growth and distribution of income - and for political rights (which appear not to affect the risk of conflict). While we would not wish to discount the possibility of an effect working through corruption (for which we cannot control), there is plenty of case study evidence supporting the extortion interpretation. Another source of finance for which there is good case study evidence is diasporas. We have found that diasporas substantially increase the risk of conflict renewal, and it is hard to find an alternative explanation for this result.

A second factor influencing opportunity is the cost of rebellion. Male secondary education enrollment, per capita income and the growth rate all have statistically significant and substantial effects that reduce conflict risk. We have interpreted them as proxying earnings foregone in rebellion: low foregone earnings facilitate conflict. Even if this is correct, low earnings might matter because they are a source of grievance rather than because they make rebellion cheap. However, if rebellion were a protest against low income, we might expect inequality to have strong effects, which we do not find.

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<sup>30</sup> The proportion of the population living in urban areas was statistically significant when we excluded the geographic dispersion of the population. However, when we included both proxies for the concentration of the population, the geographic dispersion measure remained statistically significant while the proportion of the population living in urban areas was marginally insignificant ( $p=0.11$ ).

A third aspect of opportunity is military advantage. We have found that a dispersed population increases the risk of conflict, and there is weaker evidence that mountainous terrain might also advantage rebels. It remains possible that these are correlated with unmeasured grievances.

Most proxies for grievance were insignificant: inequality, political rights, ethnic polarization and religious fractionalization. Only 'ethnic dominance' – one ethnic group being a majority – had adverse effects. Even this has to be considered in combination with the benign effects of social fractionalization: societies characterized by ethnic and religious diversity are *safer* than homogenous societies as long as they avoid dominance. We have suggested that diversity makes rebellion harder because it makes rebel cohesion more costly. It would be difficult to argue that diversity reduced grievance.

Finally, the risk of conflict is proportional to a country's population. We have suggested that both opportunities and grievances increase with population. Thus, the result is compatible with both the opportunity and grievance accounts. However, grievances increase with population due to rising heterogeneity. Yet those aspects of heterogeneity that we are able to measure are not associated with an increased risk of conflict. Hence, a grievance account of the effect of population would need to explain why unobserved, but not observed, heterogeneity increases conflict risk.

One variable, the time since a previous conflict, has substantial effects: time 'heals'. Potentially, this can be interpreted either as opportunity or grievance. It may reflect the gradual depreciation of rebellion-specific capital, and hence an increasing cost of rebellion, or the gradual erosion of hatred. However, we have found that a large diaspora slows the 'healing' process. The known proclivity of diasporas to finance rebel groups offsets the depreciation of rebellion-specific capital, and so would be predicted to delay 'healing'. The diaspora effect thus lends support to the opportunity interpretation.

Opportunity as an explanation of conflict risk is consistent with the economic interpretation of rebellion as greed-motivated. However, it is also consistent with grievance motivation as long as perceived grievances are sufficiently widespread to be common across societies and time. Opportunity can account for the existence of either for-profit, or not-for-profit, rebel organizations. Our evidence does not therefore imply that rebels are necessarily criminals. But the grievances that motivate rebels may be substantially disconnected from the large social concerns of inequality, political rights, and ethnic or religious identity.

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**Table 1: Outbreaks Of War**

| Country        | Start of the War | End of the War | Previous War | Gdp sample | Secondary Schooling Sample |
|----------------|------------------|----------------|--------------|------------|----------------------------|
| Afghanistan    | 04/78            | 02/92          |              |            |                            |
| Afghanistan    | 05/92            | Ongoing        | *            |            |                            |
| Algeria        | 07/62            | 12/62          | *            |            |                            |
| Algeria        | 05/91            | Ongoing        | *            | *          | *                          |
| Angola         | 02/61            | 11/75          |              |            |                            |
| Angola         | 11/75            | 05/91          | *            | *          | *                          |
| Angola         | 09/92            | Ongoing        | *            | *          | *                          |
| Azerbaijan     | 04/91            | 10/94          |              |            |                            |
| Bosnia         | 03/92            | 11/95          |              |            |                            |
| Burma/Myanmar  | 68               | 10/80          | *            | *          | *                          |
| Burma/Myanmar  | 02/83            | 07/95          | *            | *          | *                          |
| Burundi        | 04/72            | 12/73          |              | *          | *                          |
| Burundi        | 08/88            | 08/88          | *            | *          | *                          |
| Burundi        | 11/91            | ongoing        | *            | *          | *                          |
| Cambodia       | 03/70            | 10/91          | *            |            |                            |
| Chad           | 03/80            | 08/88          |              | *          |                            |
| China          | 01/67            | 09/68          | *            | *          |                            |
| Columbia       | 04/84            | ongoing        | *            | *          | *                          |
| Congo          | 97               | 10/97          |              | *          | *                          |
| Cyprus         | 07/74            | 08/74          |              | *          |                            |
| Dominican Rep. | 04/65            | 09/65          |              | *          | *                          |
| El Salvador    | 10/79            | 01/92          |              | *          | *                          |
| Ethiopia       | 07/74            | 05/91          |              | *          | *                          |
| Georgia        | 06/91            | 12/93          |              |            |                            |
| Guatemala      | 07/66            | 07/72          | *            | *          | *                          |
| Guatemala      | 03/78            | 03/84          | *            | *          | *                          |
| Guinea-Bissau  | 12/62            | 12/74          |              |            |                            |
| India          | 08/65            | 08/65          | *            | *          | *                          |
| India          | 84               | 94             | *            | *          | *                          |
| Indonesia      | 06/75            | 09/82          | *            | *          | *                          |
| Iran           | 03/74            | 03/75          |              | *          | *                          |
| Iran           | 09/78            | 12/79          | *            | *          | *                          |
| Iran           | 06/81            | 05/82          | *            | *          | *                          |
| Iraq           | 09/61            | 11/63          | *            |            |                            |
| Iraq           | 07/74            | 03/75          | *            | *          | *                          |
| Iraq           | 01/85            | 12/92          | *            | *          | *                          |
| Jordan         | 09/71            | 09/71          |              | *          |                            |
| Laos           | 07/60            | 02/73          | *            |            |                            |
| Lebanon        | 05/75            | 09/92          | *            |            |                            |
| Liberia        | 12/89            | 11/91          |              | *          |                            |
| Liberia        | 10/92            | 11/96          | *            |            |                            |
| Morocco        | 10/75            | 11/89          | *            | *          | *                          |
| Mozambique     | 10/64            | 11/75          |              |            |                            |
| Mozambique     | 07/76            | 10/92          | *            | *          | *                          |

**Table 1** continued

| Country                  | Start of the War | End of the War | Previous War | Gdp sample | Secondary Schooling Sample |
|--------------------------|------------------|----------------|--------------|------------|----------------------------|
| Nicaragua                | 10/78            | 07/79          |              | *          | *                          |
| Nicaragua                | 03/82            | 04/90          |              |            |                            |
| Nigeria                  | 01/66            | 01/70          |              | *          | *                          |
| Nigeria                  | 12/80            | 08/84          | *            | *          | *                          |
| Pakistan                 | 03/71            | 12/71          |              | *          | *                          |
| Pakistan                 | 01/73            | 07/77          |              |            |                            |
| Peru                     | 03/82            | 12/96          |              | *          | *                          |
| Philippines              | 09/72            | 12/96          | *            | *          | *                          |
| Romania                  | 12/89            | 12/89          |              | *          | *                          |
| Russia                   | 12/94            | 08/96          |              |            |                            |
| Russia                   | 09/99            | Ongoing        | *            |            |                            |
| Rwanda                   | 11/63            | 02/64          |              |            |                            |
| Rwanda                   | 10/90            | 07/94          | *            | *          | *                          |
| Sierra Leone             | 03/91            | 11/96          |              | *          | *                          |
| Sierra Leone             | 05/97            | 07/99          | *            | *          |                            |
| Somalia                  | 04/82            | 05/88          |              | *          | *                          |
| Somalia                  | 05/88            | 12/92          | *            | *          | *                          |
| Sri Lanka                | 04/71            | 05/71          |              | *          | *                          |
| Sri Lanka                | 07/83            | ongoing        | *            | *          | *                          |
| Sudan                    | 10/63            | 02/72          |              |            |                            |
| Sudan                    | 07/83            | ongoing        | *            | *          | *                          |
| Tajikistan               | 04/92            | 12/94          |              |            |                            |
| Turkey                   | 07/91            | ongoing        |              | *          | *                          |
| Uganda                   | 05/66            | 06/66          |              | *          | *                          |
| Uganda                   | 10/80            | 04/88          | *            | *          | *                          |
| Vietnam                  | 01/60            | 04/75          | *            |            |                            |
| Yemen                    | 05/90            | 10/94          |              |            |                            |
| Yemen, Arab Rep.         | 11/62            | 09/69          | *            |            |                            |
| Yemen, People's Rep.     | 01/86            | 01/86          | *            |            |                            |
| Yugoslavia               | 04/90            | 01/92          |              |            |                            |
| Yugoslavia               | 10/98            | 04/99          | *            |            |                            |
| Zaire/Dem. Rep. of Congo | 07/60            | 09/65          |              |            |                            |
| Zaire/Dem. Rep. of Congo | 09/91            | 12/96          | *            | *          | *                          |
| Zaire/Dem. Rep. of Congo | 09/97            | 09/99          | *            | *          | *                          |
| Zimbabwe                 | 12/72            | 12/79          |              | *          | *                          |

Note: Previous Wars include war starts 1945-1994.

**Table 2: Descriptive Statistics**

|  | sample<br>(n=1167) | No civil war<br>(n=1089) | Civil war<br>(n=78) |
|--|--------------------|--------------------------|---------------------|
| War starts   | 0.067              | 0                        | 1                   |
| Primary commodity exports/GDP                          | 0.168              | 0.169                    | 0.149               |
| GDP per capita (const. US\$)                           | 4061               | 4219                     | 1645                |
| Diaspora (relative to population of country of origin) | 0.017              | 0.018                    | 0.004               |
| Male secondary schooling (% in school)                 | 43.42              | 44.39                    | 30.3                |
| GDP per capita growth (average for previous 5years)    | 1.62               | 1.74                     | -0.23               |
| Previous war (% with war since 1945)                   | 20.8               | 18.5                     | 53.8                |
| Peace duration (months since last conflict)            | 326.6              | 334.2                    | 221.0               |
| Forest cover (%)                                       | 31.11              | 31.33                    | 27.81               |
| Mountainous terrain (%)                                | 15.82              | 15.17                    | 24.93               |
| Geographic dispersion of the population (Gini)         | 0.571              | 0.569                    | 0.603               |
| Population density (inhabitants per square km)         | 150                | 156                      | 62                  |
| Population in urban areas (%)                          | 45.11              | 46.00                    | 32.7                |
| Ethnic fractionalization (index, 0-100)                | 39.57              | 38.64                    | 52.63               |
| Religious fractionalization (index, 0-100)             | 36.09              | 35.98                    | 37.70               |
| Polarization $\alpha=1.6$ (index, 0-0.165)             | 0.077              | 0.077                    | 0.076               |
| Democracy (index, 0-10)                                | 3.91               | 4.07                     | 1.821               |
| Ethnic dominance (% with main ethnic group 45-90%)     | 0.465              | 0.465                    | 0.452               |
| Income inequality (Gini)                               | 0.406              | 0.406                    | 0.410               |
| Land inequality (Gini)                                 | 0.641              | 0.641                    | 0.631               |

**Table 3: Opportunity Model**

|  | 1                          | 2                          | 3                     | 4                     | 5                     |
|--|----------------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| Primary commodity exports/GDP                | 18.149<br>(6.006)***       | 18.900<br>(5.948)***       | 16.476<br>(5.207)***  | 17.567<br>(6.744)***  | 17.404<br>(6.750)***  |
| (Primary commodity exports/GDP) <sup>2</sup> | -27.445<br>(11.996)***     | -29.123<br>(11.905)***     | -23.017<br>(9.972)**  | -28.815<br>(15.351)*  | -28.456<br>(15.366)*  |
| Post-coldwar                                 | -0.326<br>(0.469)          | -0.207<br>(0.450)          | -0.454<br>(0.416)     |                       |                       |
| Male secondary schooling                     | -0.025<br>(0.010)**        | -0.024<br>(0.010)**        |                       |                       |                       |
| Ln GDP per capita                            |                            |                            | -0.837<br>(0.253)***  | -1.237<br>(0.283)***  | -1.243<br>(0.284)***  |
| GDP growth                                   | -0.117<br>(0.044)***       | -0.118<br>(0.044)***       | -0.105<br>(0.042)***  |                       |                       |
| Peace duration                               | -0.003<br>(0.002)p=0.128   | -0.004***<br>(0.001)       | -0.004<br>(0.001)***  | -0.002<br>(0.001)     | -0.002<br>(0.001)     |
| Previous war                                 | 0.464<br>(0.547)p=0.59     |                            |                       |                       |                       |
| Mountainous terrain                          | 0.013<br>(0.009)           | 0.014<br>(0.009)           | 0.008<br>(0.008)      |                       |                       |
| Geographic dispersion                        | -2.211<br>(1.038)**        | -2.129<br>(1.032)**        | -0.865<br>(0.948)     |                       |                       |
| Social fractionalization                     | -0.0002<br>(0.0001)p=0.109 | -0.0002<br>(0.0001)p=0.122 | -0.0002<br>(0.0001)** |                       |                       |
| Ln population                                | 0.669<br>(0.163)***        | 0.686<br>(0.162)***        | 0.493<br>(0.129)***   | 0.295<br>(0.141)**    | 0.296<br>(0.141)**    |
| Diaspora/peace                               |                            |                            |                       | 700.931<br>(363.29)** |                       |
| Diaspora corrected/peace                     |                            |                            |                       |                       | 741.168<br>(387.635)* |
| (Diaspora-diaspora corrected)/peace          |                            |                            |                       |                       | 82.798<br>(287.192)   |
| N  | 688                        | 688                        | 750                   | 595                   | 595                   |
| No of wars                                   | 46                         | 46                         | 52                    | 29                    | 29                    |
| Pseudo R <sup>2</sup>                        | 0.24                       | 0.24                       | 0.22                  | 0.25                  | 0.25                  |
| Log likelihood                               | -128.49                    | -128.85                    | -146.86               | -93.27                | -93.23                |

Notes: All regressions include a constant. Standard errors in parentheses.

\*\*\*, \*\*, \* indicate significance at the 1, 5 and 10 percent level, respectively.

**Table 4: Grievance Model**

|                             | 1                    | 2                    | 3                    |
|-----------------------------|----------------------|----------------------|----------------------|
| Ethnic fractionalization    | 0.010<br>(0.006)*    | 0.011<br>(0.007)*    | 0.012<br>(0.008)     |
| Religious fractionalization | -0.003<br>(0.007)    | -0.006<br>(0.008)    | -0.004<br>(0.009)    |
| Polarization $\alpha = 1.6$ | -3.067<br>(7.021)    | -4.682<br>(8.267)    | -6.536<br>(8.579)    |
| Ethnic dominance (45-90%)   | 0.414<br>(0.496)     | 0.575<br>(0.586)     | 1.084<br>(0.629)*    |
| Democracy                   | -0.109<br>(0.044)*** | -0.083<br>(0.051)*   | -0.121<br>(0.053)**  |
| Peace duration              | -0.004<br>(0.001)*** | -0.003<br>(0.001)*** | -0.004<br>(0.001)*** |
| Mountainous Terrain         | 0.011<br>(0.007)     | 0.007<br>(0.009)     | -0.0001<br>(0.009)   |
| Geographic dispersion       | -0.509<br>(0.856)    | -0.763<br>(1.053)    | -1.293<br>(0.102)    |
| Ln population               | 0.221<br>(0.096)**   | 0.246<br>(0.119)**   | 0.300<br>(1.133)**   |
| Income inequality           |                      | 0.015<br>(0.018)     |                      |
| Land inequality             |                      |                      | 0.461<br>(1.305)     |
| N                           | 850                  | 604                  | 603                  |
| No of wars                  | 59                   | 41                   | 38                   |
| Pseudo R <sup>2</sup>       | 0.13                 | 0.11                 | 0.17                 |
| Log likelihood              | -185.57              | -133.46              | -117.12              |

Notes: All regressions include a constant. Standard errors in parentheses. \*\*\*, \*\*, \* indicate significance at the 1, 5 and 10 percent level, respectively.

Column 1: the two measures of fractionalization and ethnic dominance are not jointly significant.

**Table 5: Combined Opportunity and Grievance Model**

|  | 1                      | 2                   | 3                      | 4                                     | 5                      | 6                                     | 7                      |
|--|------------------------|---------------------|------------------------|---------------------------------------|------------------------|---------------------------------------|------------------------|
| Primary commodity exports/GDP                            | 19.096<br>(5.993)***   |                     | 37.072<br>(10.293)***  | 23.385<br>(6.692)***                  | 18.937<br>(5.865)***   | 16.773<br>(5.206)***                  | 50.608<br>(14.09)***   |
| (Primary commodity exports/GDP) <sup>2</sup>             | -30.423<br>(12.008)*** |                     | -69.267<br>(21.697)*** | -36.335<br>(12.998)***                | -29.443<br>(11.781)*** | -23.800<br>(10.040)**                 | -131.00<br>(42.93)***  |
| Post-coldwar   | -0.209<br>(0.457)      |                     | -0.873<br>(0.644)      | -0.281<br>(0.459)                     |                        |                                       |                        |
| Male secondary schooling                                 | -0.021<br>(0.011)**    |                     | -0.029<br>(0.013)**    | -0.022<br>(0.011)**                   | -0.031<br>(0.010)***   |                                       | -0.034<br>(0.011)***   |
| Ln GDP per capita  |                        |                     |                        |                                       |                        | -0.950<br>(0.245)***                  |                        |
| (GDP growth) <sub>t-1</sub>                              | -0.108<br>(0.044)***   |                     | -0.045<br>(0.062)      | -0.108<br>(0.045)**                   | -0.115<br>(0.043)***   | -0.098<br>(0.042)**                   | -0.113<br>(0.046)***   |
| Peace duration   | -0.0003<br>(0.002)     | 0.0005<br>(0.0014)  | -0.0003<br>(0.0015)    | -0.003<br>(0.001)***                  | -0.004<br>(0.001)***   | -0.004<br>(0.001)***                  | -0.003<br>(0.001)***   |
| Mountainous Terrain                                      | 0.005<br>(0.010)       | 0.001<br>(0.008)    | 0.005<br>(0.012)       | 0.015<br>(0.009) <sub>p=0.11</sub>    |                        |                                       |                        |
| Geographic dispersion                                    | -1.978<br>(1.049)*     | 0.135<br>(1.106)    | -4.032<br>(1.490)***   | -1.962<br>(1.149)*                    | -2.487<br>(1.005)**    | -0.992<br>(0.909)                     | -2.871<br>(1.130)***   |
| Ln population  |                        | -0.014<br>(0.136)   | 0.927<br>(0.250)***    | 0.697<br>(0.181)***                   | 0.768<br>(0.166)***    | 0.510<br>(0.128)***                   | 1.123<br>(0.226)***    |
| Social fractionalization                                 | -0.0002<br>(0.0001)*** |                     | -0.0008<br>(0.0003)**  | -0.0005<br>(0.0003) <sub>p=0.11</sub> | -0.0002<br>(0.0001)**  | -0.0002<br>(0.0001)***                | -0.0003<br>(0.0001)*** |
| Ethnic fractionalization                                 |                        | 0.008<br>(0.007)    | 0.041<br>(0.019)**     | 0.023<br>(0.015)                      |                        |                                       |                        |
| Religious fractionalization                              |                        | -0.005<br>(0.008)   | 0.015<br>(0.020)       | 0.014<br>(0.019)                      |                        |                                       |                        |
| Polarization   |                        | -9.358<br>(8.735)   | -25.276<br>(13.390)*   | -15.992<br>(10.518)                   |                        |                                       |                        |
| Ethnic dominance (45-90%)                                |                        | 1.212<br>(0.648)**  | 2.020<br>(0.915)**     | 1.592<br>(0.746)**                    | 0.670<br>(0.354)*      | 0.480<br>(0.328)<br><sub>p=0.14</sub> | 0.769<br>(0.369)**     |
| Democracy  |                        | -0.036<br>(0.054)   | -0.018<br>(0.062)      | -0.042<br>(0.054)                     |                        |                                       |                        |
| Income inequality  |                        |                     | 0.025<br>(0.024)       |                                       |                        |                                       |                        |
| Grievance predicted value                                | 0.767<br>(0.413)**     |                     |                        |                                       |                        |                                       |                        |
| Greed predicted value                                    |                        | 1.052<br>(0.212)*** |                        |                                       |                        |                                       |                        |
| Primary commodity exports/GDP * oil dummy                |                        |                     |                        |                                       |                        |                                       | -28.275<br>(9.351)***  |
| (Primary commodity exports/GDP) <sup>2</sup> * oil dummy |                        |                     |                        |                                       |                        |                                       | 106.459<br>(38.704)*** |
| N  | 665                    | 665                 | 479                    | 665                                   | 688                    | 750                                   | 654                    |
| No of wars   | 46                     | 46                  | 32                     | 46                                    | 46                     | 52                                    | 45                     |
| Pseudo R <sup>2</sup>                                    | 0.24                   | 0.25                | 0.24                   | 0.26                                  | 0.24                   | 0.22                                  | 0.30                   |
| Log likelihood   | -126.69                | -125.29             | -89.55                 | -124.60                               | -128.21                | -146.84                               | -114.20                |

Notes: All regressions include a constant. Standard errors in parentheses. \*\*\*, \*\*, \* indicate significance at the 1, 5 and 10 percent level, respectively

**Table 6: Robustness Checks**

|  | 1                          | 2   | 3                                 | 4  | 5  | 6   |
|--|----------------------------|---|-----------------------------------|--|--|---|
|  | Excluding Iran and Romania | Excluding Iran and Romania and growth collapses | Excluding influential data points | Excluding high primary commodity exporters | Peace periods of shorter than one month are treated as continuous wars | Peace periods of shorter than one year are treated as continuous wars |
| Primary commodity exports/GDP                | 19.696<br>(6.608)***       | 19.029<br>(6.671)***                            | 28.745<br>(7.862)***              | 18.771<br>(6.063)***                       | 19.147<br>(5.939)***   | 22.686<br>(6.718)***  |
| (Primary commodity exports/GDP) <sup>2</sup> | -34.090<br>(14.356)**      | -33.250<br>(14.609)**                           | -59.818<br>(17.781)***            | -28.466<br>(12.299)**                      | -30.150<br>(12.031)***   | -39.053<br>(14.405)***  |
| Male secondary schooling                     | -0.035<br>(0.011)***       | -0.037<br>(0.011)***                            | -0.041<br>(0.011)***              | -0.031<br>(0.010)***                       | -0.031<br>(0.010)***   | -0.031<br>(0.010)***  |
| (GDP growth) t-1                             | -0.140<br>(0.047)***       | -0.100<br>(0.052)**                             | -0.137<br>(0.046)***              | -0.122<br>(0.044)***                       | -0.102<br>(0.044)***   | -0.071<br>(0.047)   |
| Peace duration                               | -0.004<br>(0.001)***       | -0.003<br>(0.001)***                            | -0.004<br>(0.0011)                | -0.004<br>(0.001)***                       | -0.003<br>(0.001)***   | -0.003<br>(0.001)***  |
| Geographic dispersion                        | -2.114<br>(1.080)**        | -2.272<br>(1.090)**                             | -2.890<br>(1.136)***              | -2.449<br>(1.008)**                        | -2.541<br>(1.012)***   | -2.953<br>(1.049)***  |
| Social fractionalization                     | -0.0002<br>(0.0001)**      | -0.0002<br>(0.0001)**                           | -0.0003<br>(0.0001)***            | -0.0002<br>(0.0001)**                      | -0.0002<br>(0.0001)**  | -0.0002<br>(0.0001)***  |
| Ethnic Dominance                             | 0.727<br>(0.368)**         | 0.732<br>(0.370)**                              | 0.655<br>(0.372)*                 | 0.647<br>(0.354)*                          | 0.732<br>(0.357)**   | 0.741<br>(0.362)**  |
| Ln population                                | 0.747<br>(0.174)***        | 0.743<br>(0.175)***                             | 0.899<br>(0.195)***               | 0.772<br>(0.168)***                        | 0.782<br>(0.167)***  | 0.832<br>(0.176)***   |
| N  | 674                        | 671   | 685                               | 662  | 686  | 683   |
| No. of wars                                  | 42                         | 39  | 43                                | 46   | 44   | 41  |
| Pseudo R <sup>2</sup>                        | 0.25                       | 0.22  | 0.29                              | 0.21                                       | 0.23   | 0.21  |
| Log likelihood                               | -118.40                    | -116.17   | -114.04                           | -122.23                                    | -126.33  | -122.23   |

Notes: All regressions include a constant. Standard errors in parentheses. \*\*\*, \*\*, \* indicate significance at the 1, 5 and 10 percent level, respectively

Column 2: We exclude the following three growth collapses: Angola 1970-75, Iraq 1980-85 and Zaire 1990-94.

Column 3: We exclude the following three influential data points: Iran 1974, Romania 1989, Congo 1997.

Column 4: We exclude the countries with the highest primary commodity export to GDP ratio, namely Saudi Arabia, Guyana, Oman and Trinidad and Tobago. Their average primary commodity export to GDP ratio is 0.504 (sample average 0.158).

Column 5: We exclude the following war starts: Angola 1975 and Somalia 1988.

Column 6: We exclude the following war starts: Angola 1975, Mozambique 1976, Sierra Leone 1997, Somalia 1988 and Zaire/Democratic Rep. of Congo 1997.

**Table 7: Estimation Issues**

|  | 1                      | 2                      | 3                              | 4                     |
|--|------------------------|------------------------|--------------------------------|-----------------------|
|  | Random Effects         | Fixed Effects          | Pooled Logit plus Time dummies | Rare Events Logit     |
| Primary commodity exports/GDP                | 18.937<br>(5.865)***   | 35.850<br>(14.436)***  | 18.895<br>(5.988)***           | 17.161<br>(6.535)***  |
| (Primary commodity exports/GDP) <sup>2</sup> | -29.443<br>(11.782)*** | -65.967<br>(26.964)*** | -29.815<br>(12.098)***         | -25.594<br>(14.355)*  |
| Male secondary schooling                     | -0.032<br>(0.010)***   | 0.007<br>(0.033)       | -0.031<br>(0.010)***           | -0.029<br>(0.010)***  |
| (GDP growth) t-1                             | -0.115<br>(0.043)***   | -0.045<br>(0.072)      | -0.129<br>(0.047)***           | -0.110<br>(0.040)***  |
| Peace duration                               | -0.004<br>(0.001)***   | 0.011<br>(0.002)***    | -0.004<br>(0.001)***           | -0.004<br>(0.001)***  |
| Geographic dispersion                        | -2.487<br>(1.005)***   | 115.363<br>(74.562)    | -2.447<br>(1.018)**            | -2.394<br>(1.085)**   |
| Social fractionalization                     | -0.0002<br>(0.0001)**  | -0.007<br>(0.006)      | -0.0002<br>(0.0001)**          | -0.0002<br>(0.0001)** |
| Ethnic Dominance (45-90%)                    | 0.670<br>(0.354)*      |                        | 0.682<br>(0.359)*              | 0.644<br>(0.336)*     |
| Ln population                                | 0.768<br>(0.166)***    | 0.010<br>(1.410)       | 0.762<br>(0.170)***            | 0.726<br>(0.151)***   |
| T70-74                                       |                        |                        | 0.725<br>(0.602)               |                       |
| T75-79                                       |                        |                        | 0.578<br>(0.608)               |                       |
| T80-84                                       |                        |                        | 1.137<br>(0.602)*              |                       |
| T85-89                                       |                        |                        | -0.013<br>(0.757)              |                       |
| T90-94                                       |                        |                        | 0.802<br>(0.677)               |                       |
| T95-99                                       |                        |                        | -0.492<br>(0.921)              |                       |
| N  | 688                    | 145                    | 688                            | 688                   |
| No of wars                                   | 46                     | 44                     | 46                             |                       |
| Pseudo R <sup>2</sup>                        |                        |                        | 0.26                           |                       |
| Log likelihood                               | -128.21                | -38.18                 | -124.30                        |                       |

Notes: All regressions include a constant. Standard errors in parentheses. \*\*\*, \*\*, \* indicate significance at the 1, 5 and 10 percent level, respectively

## A1: A simple Migration model

Our estimation of migration is based on the following model:

$$dias_{it} = 1.163 \cdot dias_{i,t-1} - 0.002 \cdot \ln GDP_{i,t-1} + 0.003 \cdot war_{i,t-1} + 0.003 \cdot T_{80} + 0.005 \cdot T_{90} + 0.013$$

$(0.045)^{***} \quad (0.001)^{**} \quad (0.03) \quad (0.002) \quad (0.002)^{***} \quad (0.008)$

Where *dias* denotes diaspora which is measured as the ratio of emigrants in the USA to the total population of the country of origin. The variable *war* is a war dummy, measured at t-1 it takes a value of one if the country experienced a civil war in the previous period. The method of estimation is OLS. The data is measured at the beginning of each decade, i.e. 1960, 1970, 1980 and 1990. The regression includes time dummies, T, which are jointly significant.

Based on this simple migration model we estimated the size of the diaspora at time t.

$$\hat{dias}_{it} = x_{it} \cdot \hat{\beta}$$

For countries which experienced a previous civil war we used these estimated values to correct for a possible endogeneity problem. We replaced a total of 64 observations. For countries which did not experience a civil war we use the actual diaspora data. In order to obtain values for 1965 we took the averages of this corrected diaspora data measured in 1960 and 1970, and analogously for the values for 1975 and 1985. For 1995 we use the observations measured in 1990.

**Table A2: Marginal Probabilities**

| Variable                                     | Coefficient | Mean of X  | (1)         | (2)     | (3)     | (4)                          | (5)                     | (6)             | (7)           | (8)                       | (9)              |
|--|-------------|------------|-------------|---------|---------|------------------------------|-------------------------|-----------------|---------------|---------------------------|------------------|
|  |             |            | At the mean | Worst   | Best    | primary commodity/GDP = 0.32 | 10% extra men in school | 1% extra growth | Minimum peace | Maximum fractionalization | Ethnic dominance |
| Primary commodity exports/GDP                | 18.937      | 0.158      | 2.992       | 6.060   | 0       | 6.060                        | 2.992                   | 2.992           | 2.992         | 2.992                     | 2.992            |
| (Primary commodity exports/GDP) <sup>2</sup> | -29.443     |            | -0.735      | -3.015  | 0       | -3.015                       | -0.735                  | -0.735          | -0.735        | -0.735                    | -0.735           |
| Male secondary schooling                     | -0.032      | 44.489     | -1.406      | -0.032  | -4.645  | -1.406                       | -1.722                  | -1.406          | -1.406        | -1.406                    | -1.406           |
| (GDP growth) <sub>t-1</sub>                  | -0.115      | 1.618      | -0.186      | 1.508   | -1.660  | -0.186                       | -0.186                  | -0.417          | -0.186        | -0.186                    | -0.186           |
| Peace Duration                               | -0.004      | 347.5      | -1.286      | -0.004  | -2.19   | -1.286                       | -1.286                  | -1.286          | -0.004        | -1.286                    | -1.286           |
| Geographic dispersion                        | -2.487      | 0.602      | -1.497      | 0.000   | -2.415  | -1.497                       | -1.497                  | -1.497          | -1.497        | -1.497                    | -1.497           |
| Social fractionalization                     | -0.0002     | 1790       | -0.376      | -0.004  | -1.465  | -0.376                       | -0.376                  | -0.376          | -0.376        | -1.465                    | -0.376           |
| Ethnic Dominance (45-90%)                    | 0.670       | 0.439      | 0.294       | 0.670   | 0       | 0.294                        | 0.294                   | 0.294           | 0.294         | 0.294                     | 0.670            |
| Ln Population                                | 0.768       | 30,500,000 | 13.230      | 16.049  | 9.136   | 13.230                       | 13.230                  | 13.230          | 13.230        | 13.230                    | 13.230           |
| Constant                                     | -13.073     |            | -13.073     | -13.073 | -13.073 | -13.073                      | -13.073                 | -13.073         | -13.073       | -13.073                   | -13.073          |
| X*β  |             |            | -2.043      | 8.160   | -16.312 | -1.255                       | -2.359                  | -2.273          | -0.761        | -3.132                    | -1.667           |
| W  |             |            | 0.130       | 3497.6  | 0.000   | 0.285                        | 0.095                   | 0.103           | 0.467         | 0.044                     | 0.189            |
| Probability                                  |             |            | 0.115       | 1.000   | 0.000   | 0.222                        | 0.086                   | 0.093           | 0.318         | 0.042                     | 0.159            |

### **A3: Data Sources**

#### **Diaspora**

We used the data on the foreign born population from the U.S. Bureau of the Census and divided these numbers by the total population in the country of origin.

<http://www.census.gov/population/>

#### **Ethnic dominance**

Using the ethno-linguistic data from the original data source (Atlas Narodov Mira, 1964) we calculated an indicator of ethnic dominance. This variable takes the value of one if one single ethno-linguistic group makes up 45 to 90 percent of the total population and zero otherwise. We would like to thank Tomila Lankina for the translation of the original data source.

#### **Forest Coverage**

We used the FAO measure of the proportion of a country's terrain which is covered in woods and forest. Source: <http://www.fao.org/forestry>

#### **GDP per capita**

We measure income as real PPP adjusted GDP per capita. The primary data set is the Penn World Tables 5.6 (Summers and Heston, 1991). Since the data are only available from 1960-92 we used the growth rates of real PPP adjusted GDP per capita data from the World Bank's World Development Indicators 1998 in order to obtain income data for the 1990s.

#### **Geographic Dispersion of the Population**

We constructed a dispersion index of the population on a country by country basis. Based on population data for 400km<sup>2</sup> cells we generated a Gini coefficient of population dispersion for each country. A value of 0 indicates that the population is evenly distributed across the country and a value of 1 indicates that the total population is concentrated in one area. Data is available for 1990 and 1995. For years prior to 1990 we used the 1990 data. We would like to thank Uwe Deichman of the World Bank's Geographic Information System Unit for generating this data. He used the following data sources: Center for International Earth Science Information Network (CIESIN), Columbia University; International Food Policy Research Institute (IFPRI); and World Resources Institute (WRI). 2000. Gridded Population of the World (GPW), Version 2. Palisades, NY: IESIN, Columbia University. Available at <http://sedac.ciesin.org/plue/gpw>.

#### **Mountainous terrain**

The proportion of a country's terrain which is mountainous was measured by John Gerrard, a physical geographer specialized in mountainous terrain. His measure is based not just on altitude but takes into account plateaus and rugged uplands. The data is presented in Gerrard (2000).

#### **Peace Duration**

This variable measures the length of the peace period (in months) since the end of the previous civil war. For countries which never experienced a civil war we measure the peace period since the end of World War II.

**Population**

Population measures the total population, the data source is the World Bank's World Development Indicators 1998.

**Primary commodity exports/GDP**

The ratio of primary commodity exports to GDP proxies the abundance of natural resources. The data on primary commodity exports and GDP were obtained from the World Bank. Export and GDP data are measured in current US dollars.

**Social, ethnolinguistic and religious fractionalization**

We proxy social fractionalization in a combined measure of ethnic and religious fractionalization. Ethnic fractionalization is measured by the ethno-linguistic fractionalization index. It measures the probability that two randomly drawn individuals from a given country do not speak the same language. Data are only available for 1960. In the economics literature this measure was first used by Mauro (1995). Using data from Barrett (1982) on religious affiliations we constructed an analogous religious fractionalization index. Following Barro (1997) we aggregated the various religious affiliations into nine categories: Catholic, Protestant, Muslim, Jew, Hindu, Buddhist, Eastern Religions (other than Buddhist), Indigenous Religions and no religious affiliation.

The fractionalization indices range from zero to 100. A value of zero indicates that the society is completely homogenous whereas a value of 100 would characterize a completely heterogeneous society.

We calculated our social fractionalization index as the product of the ethno-linguistic fractionalization and the religious fractionalization index plus the ethno-linguistic or the religious fractionalization index, whichever is the greater. By adding either index we avoid classifying a country as homogenous (a value of zero) if the country is ethnically homogenous but religiously diverse, or vice versa.

**War Duration**

We use mainly the data collected by Singer and Small (1984, 1994). We would like to thank Nicholas Sambanis at Yale for extending and updating this data set for us.