



# WORLD DEVELOPMENT REPORT 2011

## BACKGROUND PAPER

# UNEMPLOYMENT AND PARTICIPATION IN VIOLENCE

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## ***Introduction***

How are unemployment and violence linked? Ideas about this link are driven by an OECD literature on crime, gangs and unemployment and by recent economic models of developing country 'civil wars'. These ideas are commonly linked with an increasing interest in the age-structure of demography in developing countries, in particular the observation of a common 'youth bulge'. There is a very widespread view that youth unemployment is a key cause of insurgency or civil war (Cincotta et al, 2003; Heinsohn, 2003; Urdal, 2004).<sup>1</sup> This is despite the fact that there is barely any reliable evidence on youth unemployment for any developing country. Running through many assumptions about the role of labour markets, and in particular unemployment, in causing violence and violent conflict, is the influence of the "economic approach" championed by Gary Becker (1968) with respect to crime and punishment initially and then by others including Jack Hirshleifer (2001).

This paper first sets out the main features of the economic approach to the study of violence in developing countries, as a special class of economic approaches to an increasingly wide circle of social phenomena. The paper then shows that there are other analytical approaches to studying labour market participation and its links to violent behaviour – in wars and in other forms of violence, including domestic violence. Indeed, there is an analytical bridge between the Beckeresque and these other approaches, constructed out of the arguments of many economists who remain within the mainstream of economic orthodoxy but whose own economic approach has dealt with "the social" and yielded more to other social sciences than does Becker's (or Hirshleifer's). These include Robert Solow's treatment of the labour market and also the work of Bruno Frey and others on the economics of terrorism.

Thus, from a range of analytical sources, it becomes clear that there is a rich body of work on the reasons why there may be a variety of relationships between employment, unemployment, and violence. These analyses draw on abstract models, on research in industrialised societies, and on developing country research. The paper draws out the relevance (and limitations on relevance, where appropriate) of industrialised country research findings for the study of violence in developing countries. In brief, the paper finds that there are many features in common, for example, between research on participation and use of violence in gangs in the USA, on the one hand and, on the other, voluntary participation in the FARC in Colombia or FMLN in El Salvador, or in insurgent groups in West Africa or violence in urban Brazil or Jamaica or Guatemala, or participation in xenophobic attacks in South Africa.

The phenomenon of a demographic youth bulge may represent a set of social problems. It may be associated in some contexts, especially those with too few labour market opportunities to absorb school-leaving youths, with violence. But this paper argues that it

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<sup>1</sup> Urdal (2004), for example, posits that it is not the youth bulge by itself but in combination with poor economic performance that raises the risk of violent conflict.

is not wise simply to read off violent outcomes from given degrees of demographic bulge or, indeed, from given labour market figures. The paper argues that there are no grounds empirically for the commonly made claims that there is a strong, automatic causal connection from unemployment, underemployment, or low productivity employment to violence and war.

The implications are: that there are *other* grounds for acting to protect the lives and improve the prospects of those very large numbers of people vulnerable to appalling working conditions, to un- and under-employment, to poor health and premature death, to violence, and to extreme poverty; that specific variables, such as unemployment, typically have rather complex implications for violent outcomes; and that labour market and economic policy, if they are to be a part of efforts to reduce violence, cannot be reduced to policies designed simply to maximise the number of work opportunities available at however competitive or apparently market clearing a wage rate. Above all, perhaps, the implication of the work reviewed in this paper is that we still know too little empirically, let alone theoretically, about the relationships between labour market participation, institutions and relations and violence. In particular, the rapid growth of interest among development economists in the past twenty years or so in violent conflict and its aftermath in developing countries has made many advances but has devoted very little attention to labour markets.

### ***The Economic Approach***

In arguing for the application of economic calculus to the challenges of understanding and designing policy for a range of crimes that created diseconomies, harm, or social loss, Becker (1968) sought a “resurrection, modernization, and thereby I hope improvement” on much earlier, pioneering studies by Bentham and Beccaria of criminology. If such an approach had “lost favour” in the interim, Becker’s work contributed to what has become rather more than a return to favour for an interest in applying economic calculus to criminology and a range of other social phenomena and fields of study. Becker’s work, among others, influenced the increasing confidence with which, in the late twentieth and early twenty-first century, economists sought to use the axioms and conceptual apparatus of neo-classical economics to model virtually any social phenomenon under the sun.

An intellectual movement that became known to detractors and champions alike as ‘economics imperialism’, this extension of the economic approach (utility maximisation, efficiency, and choice under conditions of scarcity) became the litmus test of all policies.<sup>2</sup> The resulting economism, as Judt (2009) argued, was not an eternal, cross-cultural preoccupation but a historically, socially acquired taste.

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<sup>2</sup> Champions of economic imperialism (a term that is not necessarily accepted by all economists and which is not necessarily the most apt metaphor) include Lazear (2000) and Hirshleifer (1985): “What gives economics its invasive imperialist power is that our analytical categories – scarcity, cost, preferences, opportunities, etc. – are truly universal in their applicability...Thus economics really does constitute the universal grammar of social science” (ibid, p.54). Critics of economics imperialism who have adopted the term include Fine (2002).

The 'economic approach' has had a significant effect on the study of violence and war in developing countries (and beyond). One of the pioneering economists in this field, Jack Hirshleifer, was an uncompromising economics imperialist. His combination of an economic theory of conflict with an interest in promoting bio-economics (linking evolutionary theory and rational choice economics) puts him squarely into the "behaviour" class of explanations of violence identified – along with "ideas" and "relations" explanations – by Tilly (2000). Picking up Becker's idea of generalizing to the study of crime and punishment the economist's analysis of diseconomies by incorporating the costs of apprehension and conviction (and their probabilities), Hirshleifer extended this approach to the choice individuals make between conflict and cooperation (the way of Macchiavelli versus the way of Coase, as he had it). One of the implications of Hirshleifer's focus on opportunities, costs, and preferences was that, given the low opportunity cost of violence to the poor, they have a comparative advantage in violence. Those without access to legal, cooperative gainful employment were more likely to maximise their utility by recourse to violent conflict and extortion.

Collier's (1996, 2000, 2004 among other variations) models carried this idea into a more empirical approach to the economics of, specifically, recent civil wars. Among the "greed" or, as it came to be relabelled, "opportunity", variables was a measure for unemployment, though the salience of unemployment faded through a succession of these models. Because of the paucity of data, average years of schooling was used as a proxy, capturing the expectations of a private return through access to employment from investment in education. The argument, especially when combined with another variable – the share of young (15-24 year old) males in the population – was that a preponderance of young men in a society with few licit earning opportunities, especially if that society was also characterised by a high share of primary commodity exports in GDP (standing for 'direct material rewards'), would predispose that society to a high risk of civil war. The reverse of this is that more employment opportunities, by raising the opportunity cost of violence, make insurgent recruitment more challenging: "Thus, the more plentiful are employment opportunities relative to new job seekers, the more difficult is rebel recruitment" (Collier, 2000, 4). As Justino (2010) summarises: "More recent studies have suggested that persistent levels of unemployment may make soldiering a means of earning a living when other (non-violent) means of livelihoods [sic] offer limited opportunities", citing Grossman (2002), Hirshleifer (2001), Keen (1997, 1998), and Walter (2004). In these and related contributions to the economic approach to violence and war in developing countries, employment and unemployment are viewed in straightforward income terms, and implicitly labour is treated, in textbook fashion, as a commodity like any other.

In these models, and others such as Grossman (1991), unemployment is sometimes an implicit rather than explicit factor, and it is never stated as an exclusive factor causing conflict but is, rather, combined with other economic variables and indicators of preference, opportunity, and cost.<sup>3</sup>

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<sup>3</sup> One reason labour markets and unemployment are not given greater attention is the assumption that rural societies in low-income countries are characterised by a homogeneous peasantry rather than a complex set of

Among the many challenges that there have been, in the recent literature within and outside economics, to this approach, there are two of particular interest to this paper. First, there is not enough reliable evidence to support the model. What evidence there is often contradicts the model. Second, there are reasons to believe that the relationship between labour market status – and ‘economic’ variables more generally – and use of violence (through gangs, militia, insurgent groups or inter-personally and in intra-household, often gender based behaviour) is far from as straightforward as the economic approach has it.

### ***The new economic approach***

Not all economists are convinced that labour market outcomes – including not just sticky wages but the incidence of violence, crime and war – can be predicted by this economic approach, or, conversely, that violence is best understood exclusively through economic calculus. Before branching out into more obviously ‘non-economic’ approaches in the following sections, this section summarises briefly some sources of disquiet and adaptation *within* the economic approach. Two examples illustrate the point. One is the economics of labour markets. The other is the economics of terrorism. Becker (1968, 170) wrote that: ... “a useful theory of criminal behaviour can dispense with special anomie, psychological inadequacies, or inheritance of special traits and simply extend the economist’s usual analysis of choice”. While these may be straw men, nonetheless more sociological and psychological notions have crept into the work of economists, fracturing the coalition sustaining the economic approach.

Labour markets have long presented puzzles to economic theory. Often labour markets do not behave quite the way they might be expected to: there is persistent unemployment, wages are ‘sticky’, and workers whose supply of labour reflects similar qualities (level of skills, for example) are not always paid the same across different parts of the same economy. Labour market economists have responded in a variety of ways to these ‘market imperfections’. For example, economists developed one strand of segmented labour market theory, though arguably not going far enough in its acknowledgement of the social reality of labour markets to satisfy exponents of the more sociological strand of segmented labour market theory (Fine, 1998).

Perhaps most clearly of all, and most relevant to the concerns of this paper, was Solow’s (1991) argument that it was perfectly consistent with orthodox economics to acknowledge that labour is not a commodity just like any other. Because labour is a human, social phenomenon, the labour market is a social institution in a way that other commodity markets are not: the labour market “really is different” (Solow, 1991, 3). The principal reason for and example of this is that both employers and employees (including would-be employees) incorporate in their institutionalised exchanges ‘social norms’, and in particular norms of fairness and ideas of status, or “higher order institutions” (Argandoña,

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differentiated classes and economic activities. Thus Grossman (1991) opposed the ruler with ‘peasant families’, who can obtain income from (and allocate effort among) “production, from soldiering, or from participation in an insurrection” (p.914).

2001). “Employment and the income it brings are not simply equivalent to a set of bundles of consumer goods (and savings)”, as textbook economics would have them be. Solow is at pains to show that this insight has an impeccable origin or at least precursor in Marshall. Others may argue that other commodity markets than those for labour are also social institutions but that is for present purposes beside the point. As shown below, issues closely related to status and fairness are very much at the heart of ethnographic, ‘non-economic’ research findings on gang and insurgency participation and associated violence.

The only other point to make is that labour market research in developing countries has been vastly under-resourced. Economists in particular have tended to be driven more by assumptions and projected ideals than an interest in the economic realities of low-income countries and the histories of poverty reduction. The World Bank’s *World Development Report 2009* was one acknowledgement that this needs to change. Fields (2007) suggested that one implication was that our understanding of labour markets in developing countries is at the (low) level that poverty thinking, knowledge and policy were at some two or three decades ago. This assessment ignores a great deal of empirical research across the disciplines into developing country labour market realities. Nonetheless, it captures accurately the mainstream neglect. This has implications for knowledge – and the research agenda required – on violence. It is important to set out from an honest acknowledgement of how little we know rather than imposing from the outset misleading projections based on idealistic assumptions. This issue is taken up below.

Meanwhile, from a different angle, economists seeking to understand violence have drawn on a range of advances in economics, usually involving expanding the field of economics to incorporate insights from outside economics *strictu sensu*, to model terrorism. Thus, Frey (2005) argues that we cannot be sure of the slope of the marginal cost curve facing terrorists and suggests that where they are driven by intrinsic goals (beliefs, values) rather than extrinsic incentives (material goods, for example), the marginal cost curve may be vertical and unresponsive to policies that raise costs.<sup>4</sup> Frey (2005, 99), and others suggest that terrorists’ behaviour is shaped by reciprocity: hardline policies may provoke in-kind responses; softer, more inclusive enticements to change may secure negotiation. This approach draws on the work in economic psychology, which, as Bowles (2008) and Fehr and Gächter (2000) argue, challenges the precepts of rational choice methodological individualism and utility maximisation. And Wintrobe (2003) argues that individuals in terrorist organizations incorporate into their own utility function the values of the group. Iannacone (2003, 1) wants to “embed the sociological insights regarding extremism and extremist groups within a ‘market for martyrs’”. *Homo economicus* as terrorist appears in disguise.<sup>5</sup> At least, she/he does not resemble the profiling modelled from the axioms of the

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<sup>4</sup> Suicide bombers may be motivated by material and non-material incentives, even if not strictly individualistically (i.e. benefits to their families). “But even without relying on such religious, social and material incentives, it is possible to explain the suicidal behaviour of terrorists. All individuals are to some extent prepared to give up some of their autonomy for solidarity with other persons...A member of such a terrorist group is rationally capable of committing suicide for the benefit of his or her group” (Frey, 2005, 51).

<sup>5</sup> One source of analytical slippage in the economic approach is that there has always been a continuum of methodological individualism, with only a blurred and at most faint border between some versions and a more sociological framework: see Udehn (2002).



discipline. Recall, for example, Edgeworth's insistence, in 1881, that: "the first principle of economics is that every agent is actuated only by self-interest".

The implication is that the economic approach, to deal with the challenge of understanding terrorism and particularly suicide bombing, has at the very least to move some distance from strictly neo-classical assumptions. Some argue that the more interesting exercises in this vein cannot really be called economic approaches at all (Cramer, 2009). Such work may turn on its head Hirshleifer's (1994) suggestion that when anthropologists, etc, do good work they are in fact doing economics. Rather, this body of work suggests, when economists do good work they are actually doing good social science more broadly.

Another implication is that terrorist violence may be driven by rather more than economic calculus. Further, there is also evidence – though contested and not enough evidence – that terrorism (and support for terrorism) is not correlated with poverty and unemployment, despite very widespread claims and assumptions to the contrary. Thus, Krueger (2007) and Krueger and Maleckova (2003) draw on the evidence of others and on their own research to argue that terrorists are most typically from more educated and better off backgrounds. Some of the evidence from investigations into the London July 2005 bombers likewise suggests no obvious link from unemployment to violence (for a dissenting note on Krueger and Maleckova, with reference to Northern Ireland, see Paxson, 2002).

### ***Labour markets, violence, group belonging: analytical distinctions***

In trying to identify and understand empirical and causal connections between labour market status or experience and participation in violence, there are distinctions to bear in mind. The usual distinction between employment and unemployment may be too simple. Underemployment may be as significant as unemployment, as may be irregular employment. The type of employment opportunities available may be significant rather than simply whether or not such opportunities are available. Next, if there is a social significance to labour market participation beyond the straightforwardly pecuniary this involves norms of fairness, ideas of status, and the value derived from belonging to groups and forging social ties through a variety of interactions. Participation in groups using violence – gangs, militia, insurgent groups, formal security forces – will most likely also be partly or chiefly 'about' these same values, sources of identity, and opportunities for social ties. Therefore, it is not always clear that participation in a violent organization is driven by the social institutions and values of belonging to that organization or by the violence it uses, per se.

Unemployment may be linked to violence without group organization (e.g. inter-personal violence, domestic violence); unemployment may be linked to a wish to be part of a group, whether violent or not; and it may be linked to deriving meaning from belonging to a group with a high salience of violence. Where there is a link between unemployment and participation in groups ostensibly organized around violence or commonly using violence, given that there are so many influences on the use of violence it is difficult to know to what

extent it is unemployment – versus institutionalised violence, experiences of police brutality, violence in the home, etc – that results in ‘referred violence’.

There is little research investigating the varying salience of violence across organizations as a variable directly or indirectly linked to unemployment or other labour market experiences. Thus, for example, Gambetta (1993) argues that physical violence is not the main *modus operandi* of the Sicilian mafia and its mainland (and international) relations: as with states in ‘open access orders’ (North et al, 2009), for the mafia the knowledge of a credible threat to use force is more important than the frequent meting out of violence, which is typically counter-productive to the ‘business’ of Mafiosi.<sup>6</sup> A different example is the varying salience of atrocity in insurgent organizations (e.g. between Renamo in Mozambique and the NLA in Uganda or between different parts of Sendero Luminoso in Peru) (see Weinstein, 2006).

### ***Unemployment, social expectations, and intimate partner violence***

One way to explore the significance of violence as opposed to (or alongside) group membership is to explore the relationship between labour market status and interpersonal (not formally group organized) violence – there is a particularly relevant literature on employment and domestic, gender-based partner violence. These distinctions have not been studied systematically. This paper suggests that there is a case for more systematic research guided by finer distinctions between labour market categories and between violence and organizations.

The frustrations of unemployment and/or irregular employment have been linked to one form of violence without being mediated through organizations, i.e. to intimate partner violence. The literature here is on both industrialized and developing countries. The literature addresses (to varying degrees) both women’s employment as a risk or protection variable and men’s employment.<sup>7</sup> A simple hypothesis – from the economic approach – would be that if either or both partners are employed this should reduce household income stress and therefore reduce violence between partners. However, alternative hypotheses are shaped by the political economy of gender and the assumption that gender relations are typically governed by power relations and that social expectations of what men and women ‘should’ do (breadwinner vs. home-carer roles, etc.) shape behaviour. Macmillan and Gartner (1999), for example, find that the combination – in North America – of female partner employment and male partner unemployment was a strong predictor of male violence against women partners. In a cross-section survey of urban and rural women in Kerala (India), Panda and Agarwal (2005) found that women whose husbands were employed were significantly less likely to report domestic violence (physical) than women with unemployed husbands. In a wider cross-sectional study in India women who were employed but whose husbands were unemployed were twice as likely to report physical

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<sup>6</sup> Lupo (2009), meanwhile, provides a critique of overly narrow explanations of the mafia.

<sup>7</sup> For example, Macmillan and Kruttschnitt (2005) find that “overall, including income/poverty proxies, there is strong link between economic disadvantage [among women] and risk of violence.”



domestic violence compared to those women who were unemployed but whose husbands were employed (Jeyaseelan et al, 2007). Related research, highlighting unequal educational status between partners within the context of a prevailing patriarchal ideology is Deyesse et al (2010), who find that in rural Ethiopia women who are literate but married to illiterate men report the highest exposure to domestic violence.

Krishnan et al (2010) advanced on existing cross-sectional studies to conduct a longitudinal study of risk and protective factors in intimate partner violence in Bangalore in the south of India. The study population was characterised by high levels of seasonal/casual employment. "Over two thirds of women who had ever experienced domestic violence reported that their husbands had difficulty finding or keeping a job, as compared to about half of those who had not experienced violence" (Krishnan et al, 2010, 139). In terms of longitudinal results, "women who were unemployed at one visit and newly began employment by the next visit had an 80 per cent higher odds of violence...as compared to women who maintained the same employment status over time" (139). Further (Krishnan et al, 140): "Our second exposure of interest, husband's difficulty finding or keeping a job, was also associated with domestic violence in both unadjusted and multivariable models. Women whose husbands had difficulty finding or keeping a job at one visit were more than twice as likely to experience violence...by the next interview. Furthermore, women whose husbands had stable employment at the previous visit and newly had difficulty with employment had 70% higher odds of violence...than women whose husbands maintained the same employment status from the previous visit. Women whose husbands had previously had difficulty but later had no difficulty were at reduced odds of violence..."

Different research methods have produced related findings elsewhere, including in rural Kenya and urban Tanzania. Silberschmidt (1999, 2001) found that socio-economic change over time had undermined the material foundation of male authority and challenged notions of male responsibility and identity. A crisis in gender relations in Kisii (Kenya) provoked by this developmental change had led to a variety of phenomena, including women showing contempt for men, rising levels of marital discord, rumours of men being poisoned by their wives, and escalating domestic violence. "Possessing no means to change their economic status, many [men] seem to be yielding to an exaggerated 'owner'/macho behaviour and physical violence against women...In this way men may translate their economic subordination into a symbolic expression which is perhaps culturally rewarding, if politically displaced" (Silberschmidt, 2001, 665). This idea of displacement is what this paper captures across a variety of contexts by the term "referred violence". A slightly different mechanism linking unemployment to violence and family conflict is depicted in Moser and Holland (1997), where female respondents in Jamaica tell of unemployment as a direct factor in them having unwanted pregnancies, taking their frustration out on children, cursing their male partner, and then being beaten up by the male.

The strong implication of this research is that employment has income/pecuniary and 'non-economic' or symbolic, relational significance for men and women; and that both are important enough to help drive some men to violence against intimate partners. There remain significant areas of uncertainty. First, this relationship is likely to be mediated by

individual psychological factors, by particular histories (exposure to family violence, etc) and to vary across and within contexts and over time as ideologies of gender identity and norms of behaviour shift. Second, little research has identified the relative significance across contexts of the pecuniary and non-pecuniary implications of unemployment and/or irregular employment. As Krishnan et al (2010, 141) put it: “Teasing apart the symbolic and economic meanings of both women’s and men’s employment is challenging. Although we adjusted for household socioeconomic status, the extent to which the role of husbands’ employment stability in shaping women’s risk of domestic violence reflected the impact of gender norms and expectations on men as opposed to the impact of living in poverty remained unclear.”

### ***Evidence and research approaches for understanding gang behaviour and participation (economic and non-economic)***

Directly material and more symbolic factors, and relational values, combine also in the evidence for explanations of participation in often-violent gangs throughout the world. The stresses of unemployment – but also the frustrations of the *kinds* of employment available – interact with norms of masculinity and status, with race, with family histories, with institutional brutality, and other factors. Padilla (1992) on Chicago and Bourgeois (2003) on East Harlem both conducted ethnographic research among Puerto Rican drug dealing gangs in the USA. Their findings have a lot in common. They both argue that these gangs and the violence they involve can only be understood within the context of structural change in the US economy, with a particular impact on racial/ethnic roles, creating forms of what Tilly (1999) would call ‘categorical inequality’ guiding particular immigrant groups into certain occupations and often pitting one group of immigrants (e.g. Italians in Harlem) against another, more recent group (Puerto Ricans). Others too (e.g., Coughlin and Venkatesh, 2003) identify subjective understanding among gang members of how their participation is shaped by “political views that their ethnic groups suffer discrimination in schools, labor markets, and financial institutions” (Coughlin and Venkatesh, 2003, 52).

Structural change in major US city economies has effectively emptied out unionised, manufacturing jobs that the parents or grandparents of gang members immigrated to take up and that generated a source of social meaning, respect, and belonging, as well as relatively secure material conditions. Instead, a service sector has grown up that has two significant dimensions. First, it is not dynamic enough or structured so as to be able to absorb labour supply among young Puerto Ricans in Chicago or East Harlem, New York. Unemployment is a very real part of young people’s lives, especially given the quality of labour supplies, which is to say, the inability of the education system to deliver formation to such people. Second, there is a strong view in both Padilla (1992) and Bourgeois (2003) that what labour market opportunities do exist are commonly demeaning, insecure, and exploitative. These are not jobs that are viewed as providing the material and non-material rewards – such as are, or were – available in unionised manufacturing sectors.<sup>8</sup> To

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<sup>8</sup> Salverda and Mayhew (2009) show that overall wage inequality (the ratio of the 9<sup>th</sup> decile to the 1<sup>st</sup>) is highest in the USA by comparison with eleven other OECD countries and that the USA has at least since the mid-1980s had the highest incidence of low pay. Though the US economy has since 1938 had a statutory

reiterate: the issue is not exclusively unemployment but also the characteristics of existing labour market opportunities. Wilson (1987, 1996) and Freeman (1991) come to similar conclusions on a larger scale and through different methods.

Joining drugs gangs – in Padilla (1992) there is a greater stress on formal gangs with violent rituals of entry and exit – offers what the formal labour market apparently cannot: income prospects, a source of respect and social ties of belonging, and so on. As Seals (2007, 6/7) puts it, from what above was called the new economic approach, gang affiliation may be a more subtle economic (sic) decision than a simple income earnings function since gang members may not always be able to draw an income from membership: the decision “is also influenced by the utility from social interactions with friends (other gang members) and/or an ethnic bond with a certain group”.

However, Bourgeois very effectively discusses the paradox: what at first appears a source of freedom from, protest against, and replacement for the discriminatory, exploitative, low-income character of the formal economy eventually simply recreates unregulated forms of violence and exploitation while generating high levels of destructiveness through drug-use, intra- and inter-gang violence, and the reproduction of intra-household gendered violence. This may well ring true in many insurgent groups as well.

Gangs – between which there is a varying salience of violence – may offer what is missing in terms of labour market opportunities but also in terms of other features of social life, including institutional containment by families. In Moser’s (2009) longitudinal study in Guayaquil (Ecuador), the recurring theme from studies around the world also dominated discussions among her informants. “Many of these youth did so [joining street-based groups where drugs and weapons were readily available] because they were searching for the support, trust, and cohesion – social capital – that they maintained their families did not provide, as well as because of the lack of opportunities in the local context” (Moser, 2009, 240). In a context observed over decades, Moser highlights structural inequality in labour markets, rising inequalities, and changing norms and aspirations. She cites Woolcock’s argument that “inequality can serve to undermine any hope by those at the bottom of the income ladder that ‘hard work’ and ‘playing by the rules’, rather than criminal or subversive activity, can yield them (and/or their children) a life of basic dignity (let alone economic advancement)” (2007, 5, quoted in Moser, 2009, 240). These are circumstances in which Hirschman’s (1981) “tunnel effect” clearly fails, and outcomes partly reflect a low tolerance for inequality. The emphasis Moser’s interviewees put on inadequate family contexts – themselves related to structural shifts in the local economy – echoes evidence from Seals (2007) on the extremely high levels of gun violence in the childhood environment of gang members in the USA and high levels of fatherless childhoods. Bourgeois (2003) and Padilla (1992) find similar experiences, combined with school violence.

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minimum wage, this is low by comparison with other OECD countries. The US economy also has, relative to other OECD economies, very low bargaining coverage, very low union density, and no membership of employer associations.

The idea that violence and organizations specialising in violence may provide “what is missing” is not restricted to studies of illegal organizations such as gangs or, indeed, necessarily to unemployment, or norms of fairness. Joining violent groups or organizations that specialise in violence or need to use violence as a regulatory tool (including actual physical violence and the threat of violence), whether they are drug gangs, insurgent militias, or the police or army in an industrialised country where violence is – for the most part – subordinate to political order and rules, commonly seems to represent an effort to rise above, reject, or seek haven from structural behavioural norms, especially but not exclusively among the poor. A literature has emerged from US citizens volunteering for military service in Iraq post-9/11 that seems to confirm this trend. Michael Massing’s (2008) review of Evan Wright’s *Generation Kill* points out that more than half the platoon in question “come from broken homes and were raised by absentee, single, working parents. Many are on more intimate terms with video games, reality TV shows and Internet porn than they are with their own parents.” Together, he writes, these Marines “represent what is more or less America’s first generation of disposable children.” On the one hand a romantic notion of violence appears to have driven choices of many US volunteers for the army during the Iraq war. On the other hand the violence of war was also often viewed as redemption, a way out of drudgery or a way out of shallow consumerism. The life they have chosen seemed to Massing in many ways: “a complete rejection of the hyped, consumerist American dream as it is dished out in reality TV shows and pop-song lyrics.... Their highest aspiration is self-sacrifice over self-preservation.”

Aspirations of self-sacrifice, as those applying versions of the economic approach to the study of suicide bombing terrorism have found, are difficult to integrate into the utility functions of rational choice theory unsullied by norms and social relations. And much of the evidence on gang participation (and violence) presents rational choice puzzles for the straightforward economic approach. This is a theme in studies of insurgency too (see below), many of which provide evidence at odds with the deductive expectations of rational choice collective action theory. Thus Levitt and Venkatesh (2000) studied a crack-selling gang whose members experienced life-threatening working conditions while earning barely more than the minimum wage on average – a finding that a rational choice analyst like Seals (2007) labels ‘bizarre’ and ‘peculiar’, despite evidence of prevailing characteristics of deprivation and alienation. While it is true that some gangs have been (perhaps increasingly) organized around their entrepreneurial engagement in the illicit economy of narcotics, this is far from always or predominantly the case. Coughlin and Venkatesh (2003, 44) argue that there is a consensus that drug trafficking is usually secondary to “identity construction, protecting neighbourhood territory, and recreation”. Moreover, gangs engaged in drugs trafficking may represent a minority of gangs.

Trends in employment and unemployment are a major part of a larger social structure and set of relations. These relations are often shaped by ethnic/racial classification and projection and they are often shaped by institutional factors: the weakness or breakdown of family or police and the power and violence of family and police. Thus, for example, the young male Puerto Rican Americans in Bourgeois (2003) experience routine structural violence, one form of which is repeated harassment and arbitrary treatment by the police. As one of Bourgeois’s interviewees (2003), Caesar, puts it, police treatment is just

“terrorism with a badge”. Acknowledging that the police themselves operate within a high-stress environment, Caesar’s quote in fact is as follows (replying to a question about how it makes him feel to have witnessed police brutality): “That’s stress management right there. That’s release of tension. That’s my-wife-treated-me-dirty-you’ll-pay. That’s terrorism with a badge. That’s what that is”.

But institutional harassment of poor or unemployed youth is not always shaped by racial discrimination. Moser and Holland (1997) show in their research on urban poverty and violence in Jamaica that constant harassment of youth on the streets “mek the youth dem behave wickeder” (31). A group of youths in Campbell Town (a depressed inner-city area of Kingston) described the police as a “set of hooligans with guns and legal power” (10). Something similar is common – though with additional and more complex racial ideologies – in the “criminalization of the poor” and routine harassment of, discrimination and violence against *favela* residents in Brazil (Wacquant, 2003; Soares, 2005). Similarly, one of the factors driving proliferating violence and violent gang behaviour in Guayaquil, Ecuador, in Moser’s (2009) study was the absence, weakness, and untrustworthiness of the police, along with inequalities and the gap that had opened up over decades between aspirations and opportunities.

The wider features of structural change, social institutions (including police and family), and ideologies of race and masculinity may be more important than unemployment per se. Or rather, these are the ecological context within which employment and unemployment experiences have to be understood. For trying to isolate the direct effect of unemployment on gang membership in statistical analysis has not generated clear evidence. There is in fact very little direct evidence on the employment/unemployment link to violence. Seals (2007) does find, for the USA, a statistically significant and positive relationship between gang participation (estimated from the National Longitudinal Survey of Youth 1997) and the local unemployment rate. Yet Levitt and Venkatesh (2000) found that some 40-50 per cent of the ‘foot soldiers’ in corporate crack cocaine gangs in Chicago were simultaneously employed in legal labour markets. Poutvaara and Priks (2007, 2) summarise results from a number of surveys and studies (Chiricos, 1987; Raphael and Winter-Ebmer, 2001; Agell and Nilsson, 2003; Fougere et al, 2006; Levitt, 2004) finding that unemployment often has a statistically significant correlation with property crime but not with violent crime. Poutvaara and Priks (2007), indeed, model gang behaviour to explain a possible effect where reducing unemployment backfires, if gang leaders, noting the higher opportunity cost of gang membership (seen as mutually exclusive with legal employment), reduce entry level requirements by requiring simple property thefts rather than higher risk violence. By analogy, while unemployment plays a marked role in exposure to intimate partner violence (especially certain inequalities of unemployment between partners), this should not divert attention from the evidence in such studies that there is still a great deal of physical and emotional violence meted out by intimate partners who are employed.

Related quantitative evidence on use of violence among urban black adolescents in Augusta, Georgia (USA) (DuRant et al, 1994) confirms the complex, mutually supporting set of features that tend to be correlated with violence. First, clearly violence is multi-dimensional – it will not be the labour market itself but only possibly in combination with



other factors that drives use of violence. Second, this survey evidence confirms some of the factors that emerge from more ethnographic research on participation in gangs and use of violence in US cities, e.g. by Padilla and by Bourgeois, that shows vividly the interaction of feelings of hopelessness, a quest for meaning and status, the pervasive exposure to social and intra-household violence, and other factors. The combination of socio-economic, institutional, and psychological factors is a theme running through most studies of violence – from those of inner city USA to those of urban Jamaica or Guatemala. Notably, this study found that in a context of generalized socio-economic depression there were nonetheless some who did not use violence and had been exposed to less violence – and the ‘resilience’ factors included socio-economic status of the head of household, including employment. While there was little variation across the sample in family structure, making it difficult to identify resilience factors, those living at home with a head of household who had relatively high socio-economic status, and who was employed, were correlated with a higher ‘purpose of life’ score, which in turn is correlated with lower use of violence (DuRant et al, 1994, 616).

### ***Labour market data: good enough to form bold claims?***

To begin to explore the links between labour markets and violent conflict or civil war, this section shows how extremely limited is the evidence at a comparative, statistical, cross-country level. Labour market data in developing countries are notoriously irregular and unreliable. For example, very few sub-Saharan African countries have carried out labour force surveys; and population censuses (an important source for claims about labour force participation and unemployment rates) are commonly out of date, and often unreliable even when recently conducted. Many countries in sub-Saharan Africa “have *no* reliable data on labour supply and we know practically nothing about labour demand and labour market dynamics in these countries” (Sender, Cramer and Oya, 2005, 6). There are discrepancies between ILO and World Bank estimates of the size of the labour force for various African countries, despite the former being cited as the source of data in the latter. Further, wage employment in agriculture in poor countries is “invisible” in most conventional databases (ILO, 2003, 42). Rural non-farm employment is neglected in many national datasets (Elbers et al, 2003; Bryceson, 1999). Categories of employment and unemployment are extremely ambiguous in most poor countries. An important, but commonly neglected, implication of this is that international comparisons are made very untrustworthy (Behrman and Rosenzweig, 1994). As Curtain (2004, 3) notes, more than half of the existing Poverty Reduction Strategy Papers cite unemployment as a significant concern but only 15 (only three of them in sub-Saharan Africa) mention an unemployment rate. Further, virtually no African countries have unemployment data that change over time: only eight can derive an unemployment rate from a supposedly nationally representative survey.

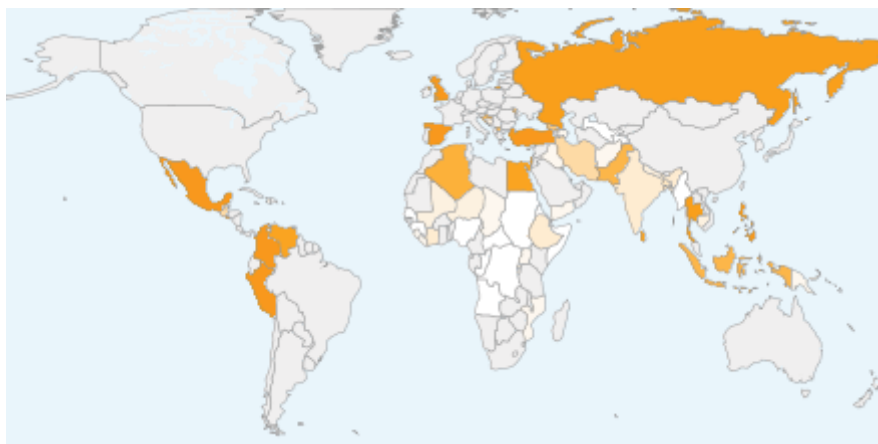
Evidence on youth unemployment – a commonly identified feature in the incidence of violence and violent conflict – is even sparser. A Dutch report noted that “only a few developing countries have reliable data on youth unemployment rates” (cited in Curtain, 2004, 2).



Labour market data collection capabilities have generally been improving, though there are many countries where this improvement has been strikingly slow. One implication is that there is more labour market data for some recent conflict affected countries and for recent periods in those countries that have had long-running violent conflicts while preserving state institutions relatively effectively. Put differently, for purposes of comparison across a wide range of countries and especially for time series purposes, the data are highly uneven in availability and quality. Countries affected by violent conflict tend to cluster around two groups in terms of data availability: while some countries have annual household surveys, including during years of conflict (e.g. Colombia, Indonesia, Israel, Russia, Turkey, Philippines and to a lesser extent Pakistan and Sri Lanka), there is an important group of major conflicts (by level of battle-deaths) for which no data on employment exists (examples include Sudan, Mozambique, Liberia, Somalia) or very little (Uganda, with one unemployment estimate of 3.2 per cent in 2003 from a Household Survey, and Myanmar, with a single unemployment estimate of 6.0 per cent in 1990 for a conflict with 300,000 battle deaths spanning 1960-2003).<sup>9</sup>

That data availability is extremely uneven is evident in the following maps. Map 1 shows the number of entries on unemployment in the years 1991-2008 *for all countries that had conflicts in the same period*. Only countries that experienced violent conflict are included, all other countries appear in grey; armed conflict data use a 'battleddeath' dataset. Although these maps show cases in which there is abundant data (shaded deeper orange), most of these countries had minor, sporadic or short spanning conflicts (Mexico, Venezuela, Spain and the UK). Clearly, there is insufficient data on unemployment for countries with significant battle-death levels in most of Sub-Saharan Africa, the Middle East and South Asia (with paler orange or white shading).

*Map 1. Overall coverage of data on unemployment for the years 1991-2008*



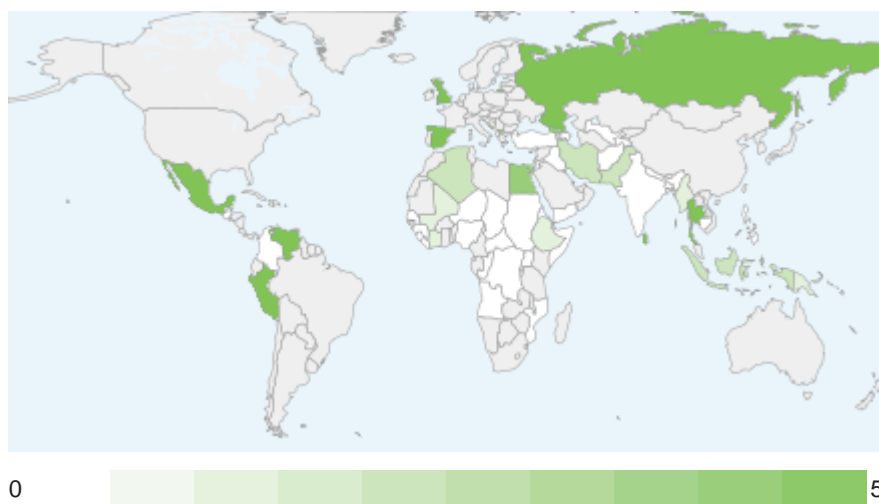
<sup>9</sup> Moreover, there are countries such as Sri Lanka where surveyors continued through an armed conflict period to collect household survey data but without entering directly conflict-affected areas – leading to difficulties in establishing labour market conditions in those areas. I am indebted to a World Bank reviewer for pointing out this example.



Source: *World Development Report 2011* Master Dataset<sup>10</sup>

Similarly, data availability on unemployment during the five years *preceding* the onset of conflict is uneven, as shown in Map 2 below. Again, countries with long-standing and protracted conflicts, especially those conflicts starting in the 1960s and 1970s, have less data (white or paler green) in these earlier periods (Colombia, Iraq, Turkey, India, Bangladesh, Guatemala, and Mozambique). Lack of data is pervasive in sub-Saharan Africa. Conflicts starting after 1991 and those with shorter duration tend to have good data (shaded deeper green): including the Russian Federation, Mexico, and Venezuela.

Map 2. Coverage of data on unemployment for the 5 years preceding conflict onset (latest conflict)



Source: *World Development Report 2011* Master Dataset

Where it is possible to draw on estimates of unemployment, leaving aside their reliability, there are no obvious patterns linking unemployment and violent conflict. In some cases, unemployment has fallen as casualties increase (e.g. Colombia after 2000 and Pakistan after 2002); in others unemployment has risen as the level of battle deaths fades (Indonesia from 1998, the Philippines from 1996). Elsewhere, trends in unemployment and levels of violence move in parallel (as in Algeria or Colombia before 2000). (See appendix 1, graphs 1-9.)

<sup>10</sup> Data available at <http://wdr2011.worldbank.org/home> where there is a full description of data sources and methodology. This data draws on primary data from PRIO/UCDP armed conflict datasets and on ILO Laborsta. See also <http://laborsta.ilo.org> and <http://www.ucdp.uu.se/gpdatabase/search.php>

Very little in the way of a clear pattern emerges from the data on the five years prior to violent conflicts breaking out. There are cases where unemployment rises in the lead-up to violent conflict (Egypt, Algeria); cases where unemployment falls before conflict (Macedonia, Thailand); and many inconclusive cases – with insufficient data or with mixed trends (for example, Sri Lanka). (See appendix 2, graphs 10-20). In short, in the face of this low level of evidence and the very mixed picture it seems to reveal, there are clear grounds for being wary of bold claims about the causal impact on violent conflict of unemployment.

### ***Evidence and research approaches for understanding war and insurgency in developing countries***

The literature on intimate partner violence and that on gangs (both drawing on research in advanced industrialised and low and middle income countries) confirm the idea of labour markets as social institutions, in which labour market participation has symbolic and relational value and not exclusively pecuniary value. Nor are they social institutions merely in the sense of resolving market failures. Participation in gangs (with varying degrees of salience of violence) and resort to domestic violence have been shown partly to be common, but not universal, responses to the frustrations and stresses of unemployment, irregular employment, and/or demeaning job opportunities.

Some research on gang participation in US cities emphasised particular *changes* in labour markets (and the broader economy). Others have also identified changes in labour markets as facilitating large-scale violence in very different contexts. For example, Jan Breman (2005) argues that the huge shifts in the economy of Gujarat cities like Ahmedabad (once the ‘Manchester of India’) led to unemployment, to new, service sector jobs, and, above all, to the loss of trade union organizations that had previously nurtured social values and class solidarity. Within this context – to reiterate, one of irregular, poorly paid, unregulated, non-unionised service sector employment – it proved easy for political ideologues of the Hindutva movement to mobilise large numbers of people to take up sectarian violence in anti-Muslim pogroms. Gujarati labour markets were thus not the main or direct cause of violence but were clearly part of the explanation.

Very similar concerns – the values of employment, the values created within labour market organizations, the complex causal links between labour markets and violence, and the fact that labour markets are only part of the story – apply to the study of insurgency, civil wars, and related forms of large-scale, organized violent conflict in developing countries. As mentioned in the introduction, it is sometimes suggested that unemployment is a cause of violent conflict, on opportunity cost, time-allocation grounds.<sup>11</sup> However, there is very little evidence to support these claims. The evidence is largely circumstantial and the claims

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<sup>11</sup> The argument is also often made in less theoretical contexts – e.g. Gareth Evans’s keynote address to DFID’s Conference on Future of International Development, March 2009, plenary session on “Tackling Conflict, Fragility and Insecurity: Creating the Conditions for Effective Poverty Reduction”) or US Army Commander of Multinational Forces in Iraq General Chiarelli’s argument in a press conference in 2006 (cited in Berman, Felter and Shapiro (2009, 2)).

often made on deductive, abstract grounds. Below, this section clarifies and emphasises the empirical problem. It then draws on case study literature to glean some relevant experiences of the relationship between labour markets and violent conflict. However, first, there are some important features of labour markets in developing countries to highlight, since they affect the interaction of labour market status and participation in violent conflicts.

First, the most significant, frequently ignored feature of low income country labour markets is that very few people can afford to be unemployed in the sense captured by prevailing international definitions and categories. Since state welfare benefits for the unemployed rarely exist in developing countries, to be unemployed in conventional terms is to be unable to survive. Therefore, it is often more relevant to think in terms of under-employment or very low productivity employment. Second, much employment is in unrecorded (officially) activities, implying that there is typically much greater wage employment than captured in official statistics. Third, this is compounded by the way standard household surveys are conducted, for these typically ‘miss’ vast amounts of wage employment among respondents asked simply about their ‘main activity’ rather than about the panoply of economic activities they have to engage in to survive. Moreover, not only do activities overlap but there is a widespread resistance to acknowledging one’s status as a wage labourer in many rural areas. This can have a direct bearing on our understanding of the socio-economic background of support for insurgencies, for example in El Salvador.<sup>12</sup> Many such surveys miss large numbers of relevant respondents, as well, including poor rural women working for wages and recent migrants working for wages in cities. Fourth, level of education is a poor proxy for unemployment for two reasons. One is that, as already stated, most poor people cannot afford to be unemployed. The other is that in many developing countries those with substantial educations are often cut adrift by policies and economic trends that stifle demand for skilled labour. This is directly relevant since it has often been the more educated who have led – especially early on – insurgencies in Afghanistan, Nepal, Sri Lanka and elsewhere.<sup>13</sup> Fifth, labour market conditions for those who are employed are, for millions of women and men around the world, so dreadful that it is probably no more difficult to recruit among them, the working poor, than among the ‘unemployed’ – for rebels, militias, and government security forces. Sixth, and related to this, most poor wage workers have extremely restricted scope and mechanisms for voicing their concerns, airing grievances, pressing for fairer treatment. This predicament has only been aggravated by the processes of deregulation, market liberalisation, and neo-liberal reforms and by the weakness of trade unions in many parts of the developing world. The precise forms that this lack of channels for airing grievances and resolving conflicts take vary – from the threats and frequent actual physical violence against trade unionists in Colombia<sup>14</sup> and, during and before the civil war, the repression of agricultural estate

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<sup>12</sup> Wood (2003) notes how referring to poor rural residents in El Salvador as *campesinos* is not well translated as ‘peasants’ since most are not owners of small landholdings but do aspire to be: “a *campesino* may be a landless day labourer, a permanent wage employee, or a farmer working a smallholding.”

<sup>13</sup> Lange (2009) argues from a comparative case study historical analysis of Cyprus and Sri Lanka that there is causal substance to Lange and Balian’s (2008) statistical finding of a positive and significant correlation between secondary enrolment and level of ethnic violence in former British colonies.

<sup>14</sup> ENS (2008), ITUC (2006).

workers in El Salvador<sup>15</sup>, the extreme controls on the local workforce and wider population in the diamond mining area of the Lundas in post-war Angola<sup>16</sup>, to the exploitative labour relations in the deregulated, privatised, informal transport system in Dar es Salaam<sup>17</sup>, and so on.

If claims are often made that unemployment is a key correlate and even cause of civil war, it is also often claimed or implied that violent conflict creates unemployment. While this can be true, as a generalization this too is not generally backed by sufficient evidence. Such claims reflect the prevailing liberal interpretation of war – that it is always exclusively negative in all respects, that “war is development in reverse” (World Bank, 2003). These claims show little understanding of the dynamics of violent conflict in political economy terms. For the evidence suggests that violent conflict typically has contradictory and complex effects on economies, including on labour markets. Warfare pitches many people into a desperate search for wage employment. Internally displaced people (IDPs) and, regionally or internationally, refugees are often confronted with sharply different labour market conditions. Refugee camps can often function partly as a local pool or, indeed, ‘segment’, of cheap labour (Cvejic and Babovic, 2009 on Kosovo; Evans, 2007, on Casamance, Senegal; VAM/WFP, 2010 on Darfur; Calderon and Ibanez, 2009, on Colombia). As Wuyts (2003) put it, in the context of war in Mozambique, war accelerated processes of class formation, including forcing people out of subsistence agriculture and into often brutal forms of wage relation. In Sri Lanka a parallel dynamic unfolded in the north and south of the island during protracted conflict. In the north, warfare did restrict many economic activities and created new unemployment – the direct effect was that an already existing insurgency was able increasingly to recruit among the poor and less productively employed. Meanwhile, the combination of war and particular economic policies and trends in the south also generated more unemployment and led to a situation in which the army became the main public employer (Venugopal, 2008).

Meanwhile, there is another way in which participation (as with gangs) may be endogenous to violent conflicts once these are underway. Arjona and Kalyvas (2006) find from a survey of demobilised combatants in Colombia that in areas they control, “armed groups recruit among a young population that has been repeatedly victimized in the past or has participated in one way or another in the conflict”. They also find, in such contexts of recruitment endogenous to local conflict dynamics, what may be termed a “no greed no grievance” pattern: recruits not joining because conflict is like a job nor joining because of fiercely held social complaints.

Evidence from a number of conflicts suggests that employment issues, including unemployment, can be significant features of the processes leading to violent conflict as well as of its dynamics once under way; but that unemployment is generally not the most significant causal feature or even facilitating (recruitment) factor. Labour market tensions cannot be reduced to unemployment and only make sense in combination with other

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<sup>15</sup> Wood (2003).

<sup>16</sup> Marques (2006).

<sup>17</sup> Rizzo (forthcoming).



factors – political grievances at discrimination (related to what Stewart, 2008, calls horizontal inequalities and also to what Tilly, 1999, called categorical inequalities);<sup>18</sup> sectarian mobilisation by political leaders; protests at restrictive controls on particular groups, including class groups; abuses of rights; etc.

Data from two countries with relatively good relevant data – Northern Ireland and Colombia - show some of the variation and complexity involved. Some studies have found that in spite of the rhetoric of labour market discrimination in Northern Ireland, the data do not support the idea that unemployment is related to episodes of violence there. Indeed, studies such as Thompson (1989) and White (1993) found little connection from economic conditions to violence and, if anything, found “the wrong direction”, i.e. that higher unemployment is linked to lower violence. White (1993), for example, found no relationship between unemployment and Republican violence but a correlation between rising unemployment and lower paramilitary violence. However, both studies had to use aggregated unemployment figures, rather than sectarian-disaggregated data.

Generating estimates for disaggregated trends in unemployment and using a version of King’s (1997) ecological inference method, Honaker (2008) finds that unemployment becomes highly significant: i.e. that “if the ratio between unemployment rates changes by about 0.25, the expected number of Republican killings of civilians goes up...by about one extra killing every three weeks” (14). Rowthorn and Wayne (1988) also found significant differences in unemployment and evidence of labour market discrimination in the 1970s and 1980s in Northern Ireland, despite some policy efforts to reduce discrimination.<sup>19</sup> In 1971 the male unemployment rates were 17.3 per cent for Catholics and 6.6 per cent for Protestants. By 1981 these rates had risen to 30.2 per cent and 12.4 per cent (Rowthorn and Wayne, 1988). The Catholic unemployment rate in this period was some three times the UK average. A particular reason for relatively low Protestant unemployment at the time was the provision of thousands of jobs in a range of security organizations.

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<sup>18</sup> These are closely related but not synonymous terms. Horizontal inequalities refers to patterned differences across groups – religious, geographical, ethnic – in access to political and/or economic opportunities. Clear and persistent (and especially combined political and economic) horizontal inequalities are regarded by Stewart and others as an important source of violent conflict. Tilly’s notion of categorical inequalities applied to paired groups (ethnic/racial, more established vs. newer immigrant populations, men vs. women, Catholics vs. Protestants, etc.), in which rather than just exclusion of one group by another the key was their inclusion through, above all, the mechanism of exploitation. Rather than typically causing violent conflict, Tilly regarded categorical inequalities as an explanation for the durability of inequality in societies: because such paired inequality helped resolve organizational challenges in society, because coalitions formed around the accumulation of surpluses through exploitation, and because of other mechanisms that helped preserve and reproduce categorical inequalities – opportunity hoarding, adaptation, and emulation. In this framework, violent conflicts are more likely where the benefits of a particular organizational form of categorical inequality (apartheid in South Africa, institutional exclusion of Catholics from the armed forces in early modern England, etc.) became less convincing to members of ruling coalitions and such coalitions risked fragmentation and challenge.

<sup>19</sup> They also found that the employment gap between the sexes was bigger than between religions: a Catholic man had easier access to employment than either Catholic or Protestant women.



While this evidence does suggest that labour market discrimination is an important part of what drove violent conflict in Northern Ireland, it does not actually resolve the ecological inference challenge. Correlations between levels – by religion – of unemployment and the incidence of political violence do not establish that unemployed people were the main or only participants in organizations using or supporting political violence.

A contrasting example, in which there is direct evidence obviating the need for ecological inference from aggregate to individual, is that of Colombia. Evidence on the FARC, particularly, but also on the differences between the FARC and paramilitary organizations grouped in the AUC, challenge the ‘economic approach’ to violent conflict in general as well as providing direct evidence on the socio-economic status and motivations of voluntary recruits. While much of the literature on the political economy of violent conflicts has assumed unit homogeneity among insurgent groups/rebels, what Gutierrez-Sanín (2008) refers to as the “similarity hypothesis”, one of the main hypotheses for variation among insurgent organizations, Weinstein (2006), remains rooted in the economic approach. Weinstein argues that where a rebel group can draw on resource rent or external financial aid, they are likely to over-recruit – attracting activists and opportunists. By contrast, a rebel group that cannot easily access economic resources will be forced to forge closer ties of reciprocity – to survive materially – with the local population and, as a result, will attract only ‘investors’ or activists. Consequently, for Weinstein, the former groups will be more loosely organised and more prone to atrocity and extreme violence while the latter, drawing on social resources, will have a tighter organization and will be less abusive to civilians. Gutierrez-Sanin draws on five datasets to show that this framework cannot explain differences in the behaviour of the FARC and AUC, since both groups share the same financial foundations (being heavily dependent, especially, on the narcotics sector).

However, the data – from judicial records, ethnographic research, and datasets on captured laptops – reveal more directly important information on participation in the FARC and AUC. One difference between the two groups is that there is a far higher proportion of women in the FARC than the AUC. There are differences too in organization and membership background. The FARC draws mainly on a peasant/rural worker base while the AUC is a more mixed bag whose rank and file are “ex-gang members or manual workers” (Gutierrez-Sanín, 2008, 14). In the FARC, with occasional exceptions, salaries are not paid and personal ornaments are confiscated. “This is particularly surprising if it is taken into account that—contrary to the standard identikit of irregular combatants as young, unemployed males—a substantial percentage of FARC fighters held jobs immediately before joining. In JUDICIAL [one of the datasets used], the FARC members generally reported not only having worked before they joined the group (57 percent), but also earning tolerably well...Many of them actually earned *above* the national average” (p.17). Additionally, of the 195 fighters recorded on the laptop captured from the FARC’s Front 58, “not one declared having been unemployed... We do not have information on ten recruits. The rest were either employed or housewives” (p.18).

The evidence on why people joined the FARC – evidence that is difficult to interpret but, treated with caution, still offers credible indications – shows that people, not surprisingly,

are motivated by a variety and combination of reasons.<sup>20</sup> These included the allure of military life, the status and excitement on offer by comparison with the drudgery of agricultural wage labour. A cattle rancher kidnapped by the FARC put it this way: “The *guerrilleros* say: we, work with a *machete*? Never! Then they say: Peasants speak with us because of this. And they kiss their weapon! And they say that women love copper (sic): the police, the army, the guerrilla” (quoted in Gutiérrez-Sanín, 2008, 22). Meanwhile, many adolescents are drawn to the guerrilla and paramilitary groups as an escape from immediate family lives characterized by boredom, parental conflict, and/or repression or, particularly in the case of girls and women, sexual harassment. Joining these organizations may also offer a widening of horizons and opportunities to develop skills beyond those of manual labour. In the AUC especially, there are also opportunities for individual economic advancement and even social mobility.

Other cases with a strong rural base for participation in and support for insurgency suggest also the role of long processes of political mobilization and, for example, the fusing of ideas from local historical traditions, leftist political organizations, and liberation theology (e.g. Wood, 2003, on El Salvador and Guillelmoprieto, 1995, on Chiapas in Mexico). As Wood (2003, 18) put it, insurgent *campesinos* in El Salvador expressed a pleasure in agency through their support for the FMLN and asserted their “dignity in the face of condescension, repression and indifference”. Many *campesinos* did not support the insurgency. Those who did faced high risks of persecution and death and they came from many different socio-economic circumstances.

Berman, Felter and Shapiro (2009) argue from panel data on local unemployment and insurgent violence that unemployment does not predict participation in political violence in Iraq and the Philippines. If there is an opportunity cost effect, “it is not dominant in either case”. While there is insufficient evidence to explain a negative correlation between unemployment and political violence, Berman et al favour an explanation rooted in what might be termed the information theoretics of conflict. When economic conditions deteriorate, pushing up unemployment, this argument conjectures, counter-insurgency agencies can more easily buy information on insurgents, making counter-insurgency more efficient.<sup>21</sup>

By contrast with these cases, there is insufficient data to make strong claims for most other countries. Nonetheless, there are suggestive findings from a variety of case studies. For illustrative brevity, this section highlights the cases of Sierra Leone and Sri Lanka. Partly because of lack of data and partly because of the features of labour markets (and their interaction with other economic activities and markets) in developing countries, there are no sharp patterns isolating the extent to which unemployment has driven violent conflict in these cases.

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<sup>20</sup> Gutiérrez-Sanín draws on Pinto et al (2002), accepting that this uses responses from fighters who had already left the FARC and were thus not naively idealistic about it, that there is no ideological bias to the report, and that it draws on a relatively large sample.

<sup>21</sup> On the significance of information asymmetries in determining patterns of selective violence in civil wars see Kalyvas (2006).

Unemployment is cited in research on the background of participants in the RUF and other militias in Sierra Leone (Archibald and Richards, 2002; Abdullah et al, 1997; Keen, 2005). But unemployment was not the only or main source of rebellion or of rebel recruits. The rebels appear to have drawn early support from largely urban ‘drop-outs’, and many of them with some secondary education but without regular jobs (Richards et al, 1996, cited in Keen, 2005); but then to have increasingly attracted young rural men (mainly), some of them employed, in irregular ways, in small-scale mining. Most of them have been described as driven by a crisis of patrimonialism and a generational-cum-class conflict: youth groups were effectively a class group, who were resentful of their exclusion from access to land, decent working opportunities, and wives, all of which were controlled by older men. Young rebel recruits also often spoke to interviewers of their bitterness at the frequent and steep fines imposed on them – for minor transgressions – by elders.

Echoing some of the ethnographic studies of gangs cited above, Frithen and Richards (2005) argue that some militia groups in the Sierra Leonean war offered ‘what was missing’ from a legal society that had lost its legitimacy: in particular, militia groups offered the possibility of developing social ties and a sense of belonging. While Frithen and Richards discuss this in a neo-Durkheimian framework focusing on the division of labour and its implications, it is not a dissimilar insight to the idea, in the rather different economic approach to terrorism, that suicide bombers may fold group values and ties of reciprocity into their individual utility functions. Chauveau and Richards (2008) cast this generational/class struggle in rural Sierra Leone (and related developments in Cote d’Ivoire) within a *longue durée* analysis of the integration of particular areas of West Africa into the global economy. Just as labour market discrimination in Northern Ireland was a facet of a larger structural crisis, so within Sierra Leone unemployment is important but hardly the key to people’s participation in violent conflicts. Nor was participation restricted to the unemployed. For a major source of grievance in eastern Sierra Leone was not so much rural unemployment but the burden of labour within a specific institutional regime. (In a very different institutional context, that of plantations in El Salvador with private security forces monitoring labour, it was the conditions of employment rather than the lack of employment opportunities that drove many people to support or participate in insurgency, Wood, 2003). Effectively, it was a social system in which elders used marriage control to fine young men who were the paramours of older men’s wives, in order to bind the younger men in labour contracts (labour being scarce relative to land in much of rural Sierra Leone. As Chauveau and Richards (2008, 544) put it, the “target for violence in Sierra Leone was the system of social reproduction itself.”

Much the same might be said of the JVP insurgency in Sri Lanka in 1971. There have been competing claims about the social origins of the uprising. However, Obeyesekere (1974) drew some inferences from data on more than 10,000 “suspected insurgents” – some arrested and some having surrendered voluntarily – and despite concerns about how representative the sample was judged the data to be “fairly satisfactory”. What the data show is a rebellion of youth (77 per cent of the sample were aged between 17 and 26) that spanned caste backgrounds but that had fairly clear socio-economic characteristics. 21.4 per cent of the sample had held lower positions in government offices or were self-

employed in not very remunerative activities; 17.5 per cent were formally unemployed; and 12.5 per cent were students. Overall, Obeyesekere argues that more than 90 per cent of these suspected insurgents were, before the rebellion, employed in low-paying jobs, underemployed, or unemployed. In some ways the context echoes the crisis of patrimonialism and generational conflict in Sierra Leone.<sup>22</sup> For most of the suspected insurgents were rural youths who were products of the post-independence free schooling in village schools. They were part of a generation in Sri Lanka in which rising political consciousness had combined with increasing disappointment as employment expectations had to be scaled back. Given the inability of economic policies to create sufficient labour demand but the emergence of a large, literate and increasingly well-educated labour force, employment became more and more the locus of personalised competition, patronage and bribery and, consequently, of complaints of injustice.

A final example, not of large-scale organized civil war or insurgency but of outbursts of urban violence, highlights the empirical problems in linking unemployment with violence. In 2008 in different South African cities there were episodes of “xenophobic attacks” in which a total of more than 60 people, foreigners from other African countries, were killed. These incidents were not isolated, insofar as there had been before and have been since episodes of xenophobic violence, though not on such a scale. Some observers made an explicit claim that unemployment was one of the main drivers of the violence. However, one of the more careful pieces of research on this episode (Fauvelle-Aymar and Wa Kabwe-Segatti, 2011) shows that available data undermines this claim. Looking at socio-economic, demographic, electoral, and ‘cultural’ indicators for a sample of electoral wards including those that did experience xenophobic attacks as well as those that did not, they show that unemployment data do not predict the violence. Nor, indeed, does absolute poverty, though it does seem that differences between the poorest and the moderately less poor are significant, along with other factors including highly localised issues. This does not settle the debate. First, unemployment data are not good for South Africa and to the extent that they are reliable only cover crude estimates of those declaring themselves to be actively looking for work or having worked at least a very short time within the past week before the survey. Second, many people may in relevant wards be working but in the unregulated, unenumerated sectors. In these especially, it may be that working conditions are extremely unrewarding. How this plays into local perceptions that recent immigrants have higher education and better access to more desirable jobs we simply do not know enough about at present. The keys, for these authors, seem to be local inequalities and the weak local performance of the state.

Meanwhile, labour market opportunities may interact in complex ways with race, values, consumption aspirations, and localised anxieties over access to state resources. Steinberg (2008) reports studies suggesting that in areas that had pogrom attacks there is evidence of employers hiring foreigners (e.g. Mozambicans) in construction, security, and domestic service. As one Mozambican interviewee put it: “From their [the South Africans’] point of

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<sup>22</sup> “[We] have here one of the most fascinating and unique social movements in human history, where the youth of a country organised themselves militarily to topple a government and came close to success” (Obeyesekere, 1974, 369/70).

view, what they saw was foreigners coming to do work they refused to do and then buying things they could not afford”.

## ***Conclusion***

The range of evidence discussed in this paper, and drawn from different methodologies and analytical traditions, makes a strong case that people’s experience of labour markets often plays an important role in their participation in violence. This is so for intimate partner violence, for participation in gangs that (often but to varying degrees) use violence, for joining in pogroms, and for taking part in insurgencies and civil wars (indeed, possibly also for taking part in international armed conflict too). However, if labour markets matter for the study of violence, the evidence has also shown that this is not straightforwardly (or, often, at all) because of time-allocation, opportunity cost judgements. There is no remotely convincing evidence at the cross-country, large-N level, at the quantitative case study level, or at the ethnographic, ‘qualitative’ level, for any bold claims that unemployment is a mechanistic causal factor in violent conflicts in developing countries. The evidence on youth unemployment is even weaker.

Where unemployment – and other experiences of labour markets – is relevant it is sometimes partly for pecuniary reasons but almost always also or mainly because labour markets are sources of status and loci of struggles over norms of fairness and ideologically validated identity (e.g. as a man). As Seals (2007, 6/7) put it - in one version of the new economic approach - for gang affiliation, the decision “is also influenced by the utility from social interactions with friends (other gang members) and/or an ethnic bond with a certain group”. Unemployment can be relevant to violence where it intersects with collective identities – masculinity, race or ethnicity, or religion. Thus, in many studies it is not the sum of household employment/income, or even just a woman’s labour force participation, but the combination of a woman’s employment with a man’s unemployment (or literacy, in one, Ethiopian, study) that is a key factor in the incidence of intimate partner violence. Studies of gangs in the USA emphasised not just unemployment but the way that unemployment – and the employment that was available – interacted with relative status and access to opportunities for particular racial/ethnic groups, such as Puerto Ricans. And studies of political violent conflicts have highlighted, for example, labour market discrimination rather than aggregate levels of unemployment as critical to patterns of violence in Northern Ireland.

But the literature on participation in violent conflicts allows for additional conclusions. First, it is very often the experience of employment – in demeaning and monotonous tasks, with little prospect of promotion or skills development, in conditions that are often openly exploitative and coercive, and for piteously little remuneration - just as much as, if not more than, unemployment that drive people to participate in insurgencies, militias, armies, etc. Second, it may also follow that where there are no structured institutional mechanisms for people in employment to express their complaints and to press for improved conditions or for conflict resolution with the employment relation, the chances that these problems are “referred” in the form of one or another type of violence may increase. This may apply



to intimate partner violence (Silberschmidt, 2001) and it may apply to the ease with which insurgent organizations can sometimes recruit among the employed, in contexts where there are no effective formal unions. Third, the contribution of labour market structure, opportunities, and relations to violent conflicts cannot be understood in isolation from broader structural and policy features of a society. In places like Sierra Leone and Sri Lanka (the example given was the 1971 JVP uprising), much participation in violent conflict represents a rebellion against unjust social orders and as challenges to their legitimacy. Labour markets are one important facet of such orders. Fourth, very often people join up to guerrilla forces, militias, etc, for a combination of reasons that may be related to the tedium of labour market opportunities available but are often more directly about opportunities for escape from boredom, gerontocracy, and stifling family atmospheres. Fifth, once violent conflicts get underway, participation can easily become endogenous to local dynamics of which organization is in control, what agendas of resentment and envy divide people locally, and what experiences of brutalisation by war people have already had. (Some of the same applies to the reproduction of gangs over time in particular urban localities.)

There are three broad implications of the findings of this paper. First, in none of the cases reviewed here would simplistic labour market policies to “clear the market” through reducing regulation and increasing “flexibility” have resolved the role of labour markets in violent political crises. Poorly regulated labour markets, or rather labour markets regulated not by politically accountable formal institutions but by “market forces”, informal institutional arrangements, local potentates, etc., appear to breed many of the conditions highlighted in this paper as part of the context of violent conflicts. Traditional labour market policies have been shown to be ineffective in creating rapid rates of increase in higher productivity labour demand, shifts in skills formation, and sources of valued employment opportunities sufficient to absorb and raise the quality of labour supplies.

Second, while labour markets matter to violence, this should not be used to “securitise” labour market policy. The majority of the people in the world who suffer from the cruel realities of labour markets do not live in or fuel violent conflicts or civil wars. The links between labour markets and violent conflict are, it has been shown, complex and varied, and unlikely to respond to simple policy interventions designed from outside to reduce the risk of civil war onset. But there should be grounds enough, without resort to the “security demographic” or misfiring opportunity cost models, for decisive policies to foster faster increases in labour demand and shifts in the structural characteristics of employment opportunities, as well as to provide ways of amplifying the voice and improving the lot of millions of women (especially) and men stuck at the bottom of the labour market pile.

Third, the simple and repeated refrain of this paper is that there is still very little empirical knowledge about many of the linkages between labour markets and violence. There is a strong case that in order to begin to consider the design of more effective policy interventions it is imperative to invest in the collection of more, and better quality, evidence. This paper has cited plenty of examples of careful research: some of this deserves a better hearing in the literature on the political economy of violent conflict; some of it should signal the possibilities for more work in other cases.



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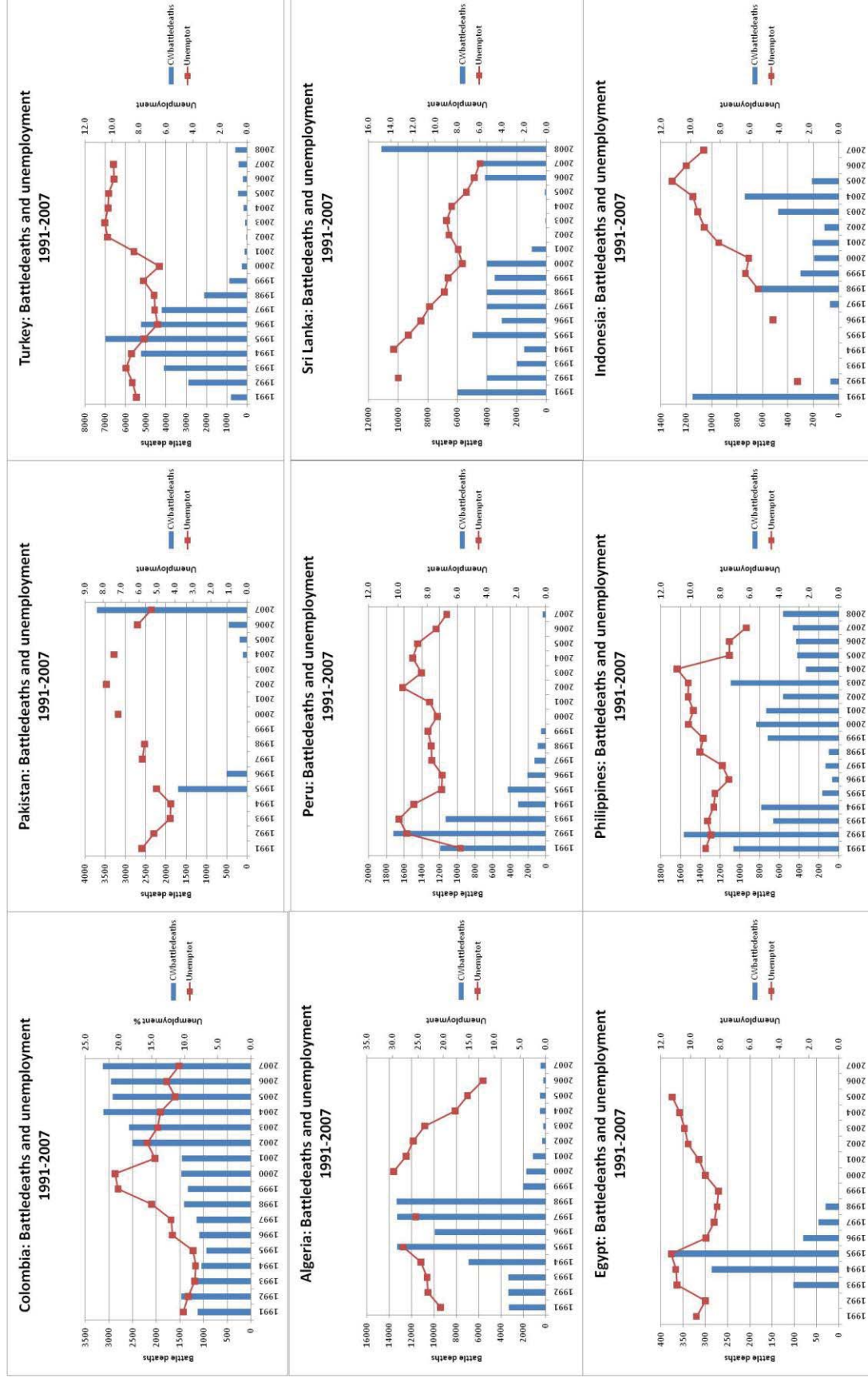
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# Appendix 1: Graphs 1-9 Unemployment and conflict in 1991-2007 (countries with good data available and multiyear conflicts)



## Appendix 2: Graphs 10-20: Unemployment in the years preceding conflict onset

