The Relevance of Equality Policy for Ethnic and Religious Conflict throughout the World

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‘Remove the secondary causes that have produced the great convulsions of the world and you will almost always find the principle of inequality at the bottom. Either the poor have attempted to plunder the rich, or the rich to enslave the poor. If, then, a society can ever be founded in which everyman shall have something to keep and little to take from others, much will have been done for peace’ (de Tocqueville 1835, quote from 1954 edition, : 266)
Inequality, a major global issue

• Inequality has been rising throughout the world:
  – In the majority of developed countries;
  – In most developing countries, notably India and China.
  – And among countries.

• Although widely agreed as a problem, few policies to address it.
Two sorts of inequality

• Vertical inequality – among households/individuals.

• Horizontal Inequality among groups.
  – Ethnic groups (many African countries)
  – Religious (and ethnic)
    • Western Europe; N.Ireland; West Africa; India.
  – Racial: Malaysia; Fiji; US; Brazil.
Why HIs are important

- Both types of inequality matter: Vertical affects poverty; wellbeing; criminality.
- Horizontal: related to conflict. When group has common grievance of deprivation incentive for mobilisation.
- CRISE research shows relationship:
  - Econometric evidence, across countries generally; and within regions and particular countries
  - Many case studies: N.ireland; Thailand; Nepal; Rwanda; Cote d’Ivoire, Mexico, Guatemala…
Multidimensionality of HIs critical

• Socio-economic (incomes, assets, employment, access to finance, education, housing…)
• Political: presidency/cabinet/bureaucracy/army/police.
• Cultural recognition: respect for religion/language/customs
Conflict more likely where HIs consistent across dimensions

• Especially where socio-economic and political are in same direction.
  – Political HIs: incentive for leaders;
  – Socio-economic for mass mobilisation.

• Contrast Cote d’Ivoire and Nigeria; Warri and Calabur.
## Some examples of major HIs.

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<td>Fiji N.Ireland Burundi Kosova</td>
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Strong policy implications

• For peace need to address each dimension of HI where severe.
• N. Ireland a very good example:
  – Employment; education; housing; health services;
  – Political participation; police.
Horizontal Inequalities in N.Ireland

- High inc HH
- % prof and manag jobs
- higher educ
- Houses with > 3 rooms
- New appointments in police
- Ratio of Catholic to Protestant

changes from 1970s to 1990s
N. Ireland: intervention on HIs and peace

Figure B3.2a Community differential in unemployment rates - Men Catholic rate minus Protestant rate (percentage points)

Malaysia: a successful case of reducing econ/social HIs

• 1971, **NEP**, following anti-Chinese riots, 1969. Aim to secure national unity.

• Two prong:
  – ‘to reduce and eventually eradicate poverty’;
  – ‘to accelerate the process of restructuring Malaysian society to correct economic imbalance **so as to reduce and eventually eliminate the identification of race with economic function**’ (Second Malaysian Plan 1971-1975)
  – a variety of anti-poverty policies (rural development; social services).
  – restructuring:
    o expand Bumiputera share of capital ownership to 30%.
    o 95% of new lands to be settled on Malays;
    o educational quotas in public institutions laid down, in line with population shares;
    o credit policies favoured Malays, with credit allocations and more favourable interest rates.
Changes from 1970 to 1990

Ratio of Bumiputera to Chin

- Household income
- Ownership of shares
- Nos. of profess.
- Prim enrolment rate
- Tertiary enrolment rate
Figure One: Malaysia mean incomes relative to national average

Ratio to national average

Year


- Bumiputera
- Chinese
- India
Categories of socio-economic policy:

- **Assets**
  - Land (Malaysia; Zimbabwe; Fiji; Namibia)
  - Financial capital (Malaysia; S.Africa)
  - Terms of privatisation – often unequalising
  - Credit (Fiji; Malaysia)
  - Education (Malaysia; Sri Lanka).
  - Skills and training (Brazil, New Zealand)
  - Public sector infrastructure (S.Africa).
  - Housing (N.Ireland).
  - Social capital? [neighbourhoods; clubs]

- **Incomes**
  - Employment policies;
    - Public sector (Malaysia; Sri Lanka)
    - Private sector (S.Africa; N.Ireland)
Experience with affirmative action: economic and social

• Used quite frequently.
• Major examples:
  – Fiji
  – India
  – Malaysia
  – N.Ireland
  – S.Africa
  – Sri Lanka
  – US
Consequences

- May reduce inter-group inequality, but increase intra-group. (But intra-group decreased in Malaysia; depends on design of policies).
- Negative impact on efficiency? No evidence; in fact reverse.
- Claimed to ‘entrench’ ethnicity as category. But with sharp HIs these may be entrenched anyway (N. Ireland, US). If changes ethnic division of labour may reduce ethnic salience.
- Can provoke political protest, even violence, Sri Lanka clearest example. Micro (non-policy) cases in Indonesia. But elsewhere reduces political violence – Malaysia, N. Ireland, US
Consequences: problems of ‘success’

• Policies do narrow inequalities, but need to be comprehensive (economic as well as social); and political.
• Policies do not imperil efficiency: can increase it.
• Policies need not worsen intra-group inequality. But can.
• Do policies entrench ethnicity? Malaysia perceptions surveys show very low inter-racial marriage, social contact etc. compared with other countries. But more equality leads to better relations (urban versus rural in Malaysia).
• Chinese backlash; Sri Lankan case
• Time limits on policies?
• Advantages of ‘indirect’ policies.
Should be on policy agenda in multiethnic societies

• Internationally as well as nationally.
• Within developed countries as well as developing.
• In normal development policies, not just for conflict-countries.
• Huge range of policies available, political (power sharing) as well as socio-economic.
• Monitoring essential.
Too often NOT part of policy agenda

• Politically, focus is on majoritarian democracy.
• Economic policies: market and efficiency; and poverty reduction. Both blind to implications for HIs and can worsen them.