



THE JOURNAL OF POLITICS
INTERNATIONAL AFFAIRS &
VOLUME III
SPRING 2008

With Special Contributions From _____

DR. JOHN BRADEMAS AND JAMES TRAUB

THE JOURNAL OF
POLITICS & INTERNATIONAL AFFAIRS
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NOTE FROM THE EDITORS

What you are holding is something created through a truly homegrown, democratic process. During the worst of times we stumble along slowly, unsure of the best path towards our goal, which has evolved time and time again. But at the best of times, we *are* those town hall meetings of Jeffersonian veneration, where each person has the same say as the person next to them, where debate and discussion, not majority rule, dictate the decisions we make.

This is the spirit we have tried to bring to *The Journal of Politics & International Affairs*—a continuous and open dialogue. *The Journal* is not necessarily a showcase of students' best work. But rather, through the text we hope to erect a forum of voices and ideas—whether they belong to students, teachers, or professionals.

For America, the last year has been wrought with turmoil. Interest rates and the dollar have hit all time lows, while oil and anti-American sentiment have hit all time highs. Half a world away but too close for comfort, China and India impinge on U.S. dominance not only in the fields of technology and production, but also in highly value-added, intellectual capital-intensive sectors such as finance and education.

What has emerged from the glaringly apparent vulnerability of the United States is a nascent awareness of the rest of the

world. As we are forced to reevaluate our position and actions in the global arena, it is vital to maintain a rational and coherent perspective, grounded in empirical analysis and free of reactionary protectionist impulse. The free and fair flow of information, ideas, and opportunity is more important than ever, and this is especially apparent within the work of our authors.

When we set out with the goal of selecting the best pieces, we overestimated our role in the process—the best pieces selected themselves. All the pieces demonstrate an implicit understanding of our call for level-headed, rational analysis of charged international issues. They clearly distinguish themselves from the rest as thoroughly well-written and most importantly, original. Each piece works within the framework of scholarly and established research, and then goes beyond that by drawing the lines between past and present and then extending that line from the present to the future.

As editors, we have strived to share these important works with our readers. Many of our pieces were senior theses, work done over the course of a year or more, with lengths well over 30 pages. We hope we have been able to maintain the integrity of the pieces, keeping in line with the authors' original vision.

As *The Journal* grows and evolves, we urge you to take part. Read these powerful words and ideas that come from your peers. Ponder them, discuss them, and expand them. How can a dialogue exist without action and continuous involvement? What you see before you is merely a stepping-stone towards a greater initiative.

LEADERSHIP FOR INTERNATIONAL EDUCATION¹

DR. JOHN BRADEMAS

PRESIDENT EMERITUS, NEW YORK UNIVERSITY

FORMER MEMBER (1959-1981), U.S. HOUSE OF REPRESENTATIVES (D-IND.)

I begin by observing that my late mother was a teacher in the public schools of Indiana for many years and that her father was a Hoosier high school superintendent and university professor.

My late father was a Greek immigrant, who told his children, “I’ll not leave you much money”—which was true!—“but I will leave you all a first-class education,” and that was true as well and, of course, was the finest legacy of all.

My sister is a retired public school teacher; one brother, a retired university professor; another was an architect and city planner.

I had the good fortune of studying at two of the greatest universities in the world, Harvard and Oxford.

As a schoolboy in South Bend, I was fascinated by a book I read about Mayan civilization. I started learning Spanish, as a high school senior hitchhiked with a classmate to Mexico and, as a Harvard undergraduate, spent a summer with other college men working in Aztec Indian villages in rural Mexico in a kind of early form of Peace Corps.

I wrote my senior honors thesis at Harvard on the Sinarquista movement, a far right-wing peasant movement, important in Mexico in the late 1930s and early ‘40s.

At Oxford, I wrote my Ph.D. dissertation on the anarchist movement in Spain from the mid-1920s through the first year of the Spanish Civil War, 1936.

Several years ago, then President Bill Clinton appointed me Chairman of the President’s Committee on the Arts and the Humanities; Hillary Clinton, then First Lady of the United States, was Honorary Chair of the Committee.

The President’s Committee wrote a report, *Creative America*, calling for in-

creased support, public and private, for cultural activities in the United States. We included among our recommendations a call for greater investment in the study of other countries and cultures as well as in international scholarly exchanges and exhibitions abroad of works by American artists and performers.

For seven years I also chaired the National Endowment for Democracy, an organization established during the Presidency of Ronald Reagan and a Democratic-controlled Congress and financed by the Federal Government. NED, as we call it, makes grants to non-governmental organizations working for democracy in countries that either do not enjoy it or are struggling to achieve it.

Let me return to my years before coming to New York University. Only months after leaving Oxford, I was running for Congress from the District centered in South Bend.

I lost my first race, in 1954, with 49.5 percent of the total vote.

Obviously, I would run again, and after a fascinating year on the staff of Adlai Stevenson in his second presidential campaign, I did—in 1956.

That year Stevenson and I lost a second time. But I still thought I could win, and in 1958, on my third try, I was first elected, then ten times reelected.

So I served as a United States Representative in Congress from Indiana for twenty-two years, all of them on the House Committee on Education and Labor, and during the Administrations of six Presidents, I helped write all the measures enacted during those years to support schools, colleges and universities, libraries and museums, the arts and the humanities, and to assist children, the elderly, the disabled.

In my last four years on Capitol Hill, I was the Majority Whip of the House of Representatives, third-ranking member of the House Leadership.

I remind the reader that in our American separation-of-powers constitutional system, Congress, unlike the legislature in a parliamentary system, has the power to make national policy, and to do so independently of the Executive. If a Senator or Representative is skillful, and the political forces at the time make action possible, that Senator or Representative can, without picking up the telephone to call the White House, write the laws of the land. And I did, and so did other Senators and Representatives, on both sides of the aisle.

Indeed, to examine this role of Congress as a policy-making institution independent of the Executive Branch I have established at NYU’s Robert F. Wagner Graduate School of Public Service the John Brademas Center for the Study of Congress. The Brademas Center brings to NYU Presidents; Senators and Representatives—current and former, Democrats and Republicans; cabinet officers; congressional staffers; judges; diplomats; journalists; parliamentarians from other countries; students and scholars to discuss the processes, the ways by which our national legislature influences and shapes policy, as well as significant issues of public policy. The programs of the Center are wholly nonpartisan, and I have been gratified by the acceptance by a number of distinguished Senators and Representatives, current and former, of my invitation to serve on the Advisory Council to the Center, as have several of the leading academic authorities on Congress.

One example of a policy initiated by Congress is the International Education Act of 1966, of which I was chief author in the House of Representatives. This legislation

authorized grants from the Federal Government to colleges and universities for the study of other countries and cultures. Then President Lyndon B. Johnson signed the International Education Act into law—but I regret to say, Congress never appropriated the funds to implement it. Indeed, I argue that among the reasons the United States has suffered such serious problems in Vietnam, Iraq, Iran and elsewhere is, not for that reason alone, of course, ignorance, ignorance of the histories, the societies, the cultures and languages of those countries.

I am pleased to note that Congressman Rush Holt of New Jersey has introduced legislation, the International Education Leadership Act of 2008, which would create an Office of International and Foreign Language Education in the U.S. Department of Education.

Recognizing that international and foreign language programs are scattered throughout the Department of Education, Mr. Holt would consolidate the administration of all such measures under an executive appointed by the President and reporting to the Secretary of Education.

I commend Congressman Holt on this initiative, which is clearly within the spirit of my own International Education Act of 1966.

As a Member of Congress, I had the opportunity to travel to many countries, among others, Greece, Turkey, the then Soviet Union, Germany, France, Argentina, Peru, Poland and Hungary, the Czech Republic, Japan and, indeed, just thirty-one years ago, I led the first Congressional delegation during the Administration of President Jimmy Carter to visit the People's Republic of China.

In 1980 I was caught up in the Reagan landslide and defeated in my race for reelection to a twelfth term.

Shortly thereafter, I was invited to become president of New York University, which is now the largest private, or independent, university in the United States. Headquartered in the heart of Greenwich Village, New York City, NYU, as it is known, today has over 50,000 men and women enrolled as students with a total full-time faculty of nearly 3,400 and total part-time faculty of nearly 4,000.

Not surprisingly, I brought with me from Washington, D.C. to Washington Square a commitment to international studies.

In 1981, when I arrived at NYU, I found a regional—New York, New Jersey, Connecticut—commuter institution; and my goal was to transform it into a national and international residential research university. I think it is fair to say that, with considerable success in raising private funds and with a strong Board of Trustees, dedicated faculty and staff, we have accomplished that objective.

A key feature of that transition was investment in international education.

Already strong in French and German Studies when I arrived, I undertook initiatives in other areas.

We established a Center for Japan-U.S. Business & Economic Studies in our Leonard N. Stern School of Business; with a gift from the film actress Paulette Goddard, widow of the writer, Erich Maria Remarque, author of *All Quiet on the Western Front*, a Remarque Institute for European studies; with a gift from a foundation established by the late Jack Skirball, an Evansville, Indiana rabbi who went into the motion picture business and

became very successful, a Skirball Department of Hebrew and Judaic Studies; with the support of the Baroness Mariuccia Zerilli-Marimò we established a Casa Italiana; and the Alexander S. Onassis Public Benefit Foundation, created by Aristotle S. Onassis, financed a Program in Hellenic Studies.

I take particular pride in the creation at NYU of the King Juan Carlos I of Spain Center, for the study of modern Spain, a Center I dedicated ten years ago, in the presence of His Majesty, the King; Her Majesty, Queen Sofía; and the then First Lady, Hillary Rodham Clinton. Support for the renovation of the building that is home to the Center came from several Spanish business corporations, including Coca-Cola España, and from Coca-Cola U.S.A.

With funds from CITGO, the United States branch of Venezuelan Petroleum, we also established a Chair in Latin American Studies in the name of Andrés Bello, the Venezuelan leader and tutor of Simón Bolívar.

My successors as President of New York University, L. Jay Oliva, an American of Irish-Italian origin, who is an authority on the history of the Russian Empire and founder of NYU's Ireland House; and John Sexton, a scholar of comparative religion, Harvard Law School graduate, former Clerk to the Chief Justice of the United States and Dean of the NYU Law School, both share my enthusiasm for international studies, and they continued during their administrations a commitment to establish NYU campuses abroad as well as international study centers at Washington Square.

Indeed, President Sexton has been eloquent in describing New York University as “a global university.”

A few years ago, in a lecture in Rabat, Morocco, I observed that very few of us in New York City ever meet a Muslim, and, I said, so important has Islam become as a force in the world, I thought that at least some universities in the United States should offer programs for the study of Islam—and I'm glad to say that we now have at NYU a Center for Dialogues: Islamic World/U.S./The West.

But the dedication of New York University to international studies does not end with the creation of these centers and programs in New York City.

We also have thousands of students from countries all over the world attending classes in Manhattan. Indeed, international students make up eleven percent of our total student enrollment and, more specifically, eighteen percent of our graduate enrollment.

Particularly important, New York University now has a number of centers abroad—in London, Paris, Prague, Florence, Madrid, Shanghai and Ghana; and we are now opening campuses in Abu Dhabi, Buenos Aires, and, before long, in Mexico and Tel Aviv.

Indeed, my wife and I will, with other NYU leaders, visit China this summer.

As NYU President John Sexton observed last fall, “Just a few years ago, fewer than ten percent of NYU's students studied abroad; now one-third do. In a few years, we expect that fully half of our students will make study abroad part of their educational experience. As well they should: As our world cultures are brought together ever faster and more forcefully, a global experience will be an indispensable part of the student's full college experience. In general, this embrace of a global experience is a very important development in higher education; for NYU in particular, it is a validation of our efforts to create

the first ‘global network university.’”

As the recent Open Doors report of the Institute of International Education noted, New York University had a greater number, 2,809, of students studying abroad than any other university in the United States.

There are obviously reasons political, economic, cultural and diplomatic for the United States strongly to support education about other countries and cultures and to encourage learning other languages. Such knowledge is obviously good for the American economy, for jobs for American workers and business for American companies. It is, moreover, crucial in the interest of our national security that we have as deep—and widespread—an understanding of the rest of the world as possible.

I am a member of the Committee for Economic Development (CED), the organization of a couple of hundred corporate executives and a few university presidents which studies issues of public policy. In 2006, I co-chaired a CED task force which produced a report entitled, *Education for Global Leadership: The Importance of International Studies and Foreign Language Education for U.S. Economic and National Security*.

That report warns that the U.S. will become less competitive in the global economy because of declining quality of foreign language education at the college and high school level. Additionally, the American public’s deficiency in foreign languages and cultures is hampering efforts to counter terrorist threats.

Only about one-third of seven to twelfth grade students study a foreign language and less than 10% of students enroll in a foreign language in college. Introductory language courses continue to dominate enrollments. Few students are studying the less-commonly taught “critical languages” that are crucial to national security, such as Arabic, Chinese, Persian/Farsi, Hindi, Japanese, Korean, Russian, and Turkish. Additionally, only one percent of U.S. undergraduate students study abroad.

In the words of the CED statement, “in order to confront the twenty-first century challenges to our economy and national security, our education system must be strengthened to increase the foreign language skills and cultural awareness of our students. America’s continued role as a global leader will depend on our students’ abilities to interact with the world community both inside and outside our borders.”

Among the recommendations in *Education for Global Leadership*, CED calls for:

- Teaching international content across the curriculum and at all levels of learning to expand American students’ knowledge of other countries and cultures.
- Expanding the training pipeline at every level of education to address the paucity of Americans fluent in foreign languages, especially critical, less-commonly taught languages.
- National leaders—political leaders as well as the business and philanthropic communities and the media—should educate the public about the importance of improving education in languages other than English and in international studies.

I conclude by saying that I have recently accepted an invitation to join other

university presidents in writing an essay for a book to be handed to the next President of the United States with recommendations for Federal higher education policy.

You may be sure that I intend to urge a significant increase in Federal support for international education!

ⁱ *This essay is based on an address delivered by Dr. Brademas at the “Leadership for International Education Summit,” sponsored by Eli Lilly and Company, Indianapolis, Indiana, February 1, 2008.*

REALIZING DEMOCRACY

JAMES TRAUB

Future scholars of the Bush Administration will be sure to observe that the doctrines by which President George W. Bush governed were profoundly different from those on which he campaigned in 2000, when he offered a disciplined, restrained and classically “realist” policy based on the astute management of great-power relationships. Candidate Bush vowed to conduct policy according to crisply delineated “national interests” rather than the sort of woolly “values” he attributed to the administration of Bill Clinton. And he promised a decent modesty in place of national vainglory. “I’m not so sure the role of the United States is to go around the world and say, ‘This is the way it’s gotta be,’” Bush observed in his second debate with Vice President Al Gore. The U.S. could “help people help themselves” rather than flaunt the American way.

But few will accuse the President of abandoning “principle” for “expediency.” This is an administration which has conducted a truly doctrinal, indeed dogmatic, foreign policy; if those doctrines bear only occasional resemblance to the ones by which George Bush expected to govern, we should look for the explanation to history, not to inconstancy. The terrorist attacks of 9/11, as Bush officials often say, “changed everything.” Their new philosophy, first elaborated in the National Security Strategy of 2002, recognized that policy could no longer be defined by the orchestration of relations among the great powers, since the U.S. was now menaced not by “a single political regime” but rather by “terrorists of global reach” and by the failing states which those terrorists exploit. The danger that this new enemy might acquire weapons of mass destruction had rendered the traditional doctrine of deterrence obsolete: “We must,” the NSS stated, “be prepared to stop rogue states or their clients before they are able to threaten or use” WMD. At times, the U.S. would have to intervene directly in those states to overthrow a regime which threatened ourselves and the international order, as it had in Afghanistan.

More commonly, though, the U.S. would help states remove the conditions that tend to foster terrorism, both through the strategic use of foreign aid and through the decision to “make freedom and the development of democratic institutions key themes in our bilateral relations.”

Five and a half years have passed since the publication of that resounding and breathtakingly self-confident document; and it is safe to say that events since that time, and above all the ruinous war in Iraq, have had the effect of discrediting virtually every one of those principles. Certainly the cocktail of regime change, preventive war, unilateralism and democracy promotion which the Administration mixed as rationales and post-hoc rationalizations for the war in Iraq has proved profoundly unpalatable—for Iraqis, for Americans, and for the global public. In effect, President Bush and his team got first crack at devising a new policy architecture for the post-9/11 era—and failed terribly. With the Presidential election of 2008 looming, we will now have the opportunity, and the obligation, to re-think foreign policy in the age of global terrorism.

We can not, of course, return to the status quo ante, or to the great-power politics which felt anachronistic even during the 2000 campaign. “Everything” did not in fact change with the terrorist attacks; but the way we perceive the world, and our place in it, really did. And just because it was this Administration which re-formulated that understanding doesn’t make every element in it wrong. The failure of a doctrinal foreign policy does not discredit doctrine itself in favor of a wholly managerial alternative; and the sickening spectacle of a naive and self-righteous idealism brought low does not discredit idealism itself, though that terrible failure has certainly reminded us of the virtues of prudence and modesty. What, then, should we salvage from the wreckage of Bush-era policy?

“Realism,” a senior State Department official said to me not long, “died on September 11.” Is that so? And if so, what does it mean? The official was not chiefly suggesting that a hard-headed policy of “national interests” rather than a romantic fixation with “values” or moral principles had become obsolete, though certainly he would have said that values have gained a new strategic importance. His main point was rather that the assumption, shared by George Kennan and Hans Morgenthau and Henry Kissinger and other Cold War diplomats and scholars, that states behave largely according to the same rational calculus of self-interest no matter what their internal political form or culture, and thus that we may predict and manage their behavior without much reference to the way they behave towards their own citizens—that this had become untenable. We could not afford to ignore the deeply repressive political culture of, say, Saudi Arabia or Egypt once we concluded that those cultures produced the foot soldiers and the leadership cadre of Al Qaeda. “The fundamental character of regimes now matters more than the international distribution of power,” as Secretary of State Condoleezza Rice put it flatly. Or, as President Bush said in his second Inaugural address, “The survival of liberty in our land increasingly depends on the success of liberty in other lands.”

Of course, we can accept the premise that authoritarian regimes serve as a petri dish for terrorism without fully embracing either the President’s simplistic formulation or even his Secretary of State’s more nuanced one. The British have every bit as much liberty as we, and yet they seem to be producing terrorists as fast as Saudi Arabia.

Conversely, while the “fundamental character” of the Chinese regime is deeply authoritarian, we don’t worry about Chinese terrorists. And yet we can agree that we do now have to care about the inside of regimes, at least Middle Eastern regimes, not only as a matter of “values” but of “national interest”—and thus also that the supposed opposition of the two, and thus of a realist and a “Wilsonian” perspective, has become increasingly spurious. Leave it to the President to put the matter in the most grandiose possible terms: “America’s vital interests and our deepest beliefs are now one.”

Perhaps they are. But do we actually know how to shape “the fundamental character of regimes”? More to the point, do we have the capacity to do so in the aftermath of Iraq? Administration officials insist that since the war in Iraq was never intended as an exercise in democracy promotion, the policy can scarcely be judged a failure because Iraq is a failure. This is true only in a pedantic sense. Yes, the chief motive for war may well have been the imperative of eliminating a threat which turned out, in the aftermath, to have been much exaggerated. But the President, and his aides and allies, spoke at the time of the immense benefit to be gained from planting a democracy in the middle of the Arab world; and this rationale came increasingly to the fore as the original claims about WMD and the Al Qaeda connection proved hollow. Iraq has come to be seen, willy-nilly, as an attempt to impose democracy with the 82nd Airborne Division. And the shocking incompetence of the effort, the nonchalance and the cynicism, has rendered the very idea of democracy promotion preposterous in much of the world. In Morocco, Iran, Egypt and elsewhere, American diplomats find that many activist organizations refuse to accept American funds; the very word “democracy” has come to be treated as a particularly noxious American brand, like big-budget action-adventure movies.

And of course it’s not just Iraq. At the very moment when American officials are trying to repair the damage done to our image by decades of steadfast support for Arab dictators, the worldwide media has been dominated by stories of American torture at Abu Ghraib, perpetual imprisonment at Guantanamo Bay, the clandestine smuggling of detainees to Third World countries with scant regard for human rights. America has tried to promote democracy abroad while it seems increasingly contemptuous of it at home. Is it any wonder that in a recent poll, only 29 percent of respondents in 18 countries thought that the U.S. was having a “mainly positive” effect on the world, while 52 percent considered the effect “mainly negative”? And the views in every Middle Eastern country polled were far harsher.

Perhaps, then, the only honest answer to the question, “How can the U.S. influence the internal character of regimes given its current status in the world?” is, “It can’t.” Rueful Democrats like Peter Beinart, the author of *The Good Fight* and Anatol Lieven, co-author of *Ethical Realism*, have recently re-discovered the wisdom of Kennan, Morgenthau, Rienhold Niebuhr and the other high realists of the early Cold War era. Indeed, the fact that Lieven, a man of the left, co-wrote *Ethical Realism* with John Hulsman, a former fellow at the right-wing Heritage Foundation, shows that right and left have begun to unite under the flag of prudence against the reckless and arrogant idealism of the neo-conservatives. And mainstream conservatives have marked out their differences with those of the neo persuasion. In the aftermath of the second Inaugural address, George Will tartly suggested that advocates of building democracy in the Middle

East “remember an elementary principle of moral reasoning: there can be no duty to do that which cannot be done.”

And yet a principled neutrality as regards democracy in the Middle East—or elsewhere—is neither desirable nor even possible. For one thing, it’s too late; the ground is shifting even in many deeply authoritarian countries, and the U.S. will be judged by where it chooses to stand. As Michele Dunne, a former diplomat and scholar of democracy, noted in recent Senate testimony on Egypt, “If the United States does not use its influence to support constructive, meaningful change, then by default it supports continued authoritarian rule.” Egypt is, in fact, a deeply instructive example of the danger of a half-hearted or inconstant commitment. In June of 2005, Condoleezza Rice gave a speech in Cairo in which she made a spectacular concession: “For sixty years, my country, the United States, pursued stability at the expense of democracy in the region here in the Middle East—and we achieved neither.” Now, she went on, “we are supporting the democratic aspirations of all people.” Rice’s speech came in the midst of Egypt’s presidential and parliamentary election campaigns. The speech, and some bold diplomacy on the part of the White House, enthralled democracy activists, and emboldened them to challenge the regime. It was a striking demonstration of the power of American rhetoric and example even in countries where America’s overall policy was loathed. And yet when the legislative elections turned out badly for the regime, President Hosni Mubarak turned on the opposition with ruthless force—and Washington barely uttered a peep. Democratic forces in Egypt now feel profoundly betrayed, and will respond very cautiously the next time a senior American official calls on them to seize their political rights.

In democracy promotion, as in so much else, this Administration seems to place a magical faith in words, as if the very act of uttering “liberty” in noble cadences will alter the deeply entrenched reality of authoritarian nations. This is policy as self-parody—as when President Reagan apotheosized the “contras” of El Salvador as the equivalent of our Founding Fathers. Democracy promotion, if it is to work at all, will require great persistence, patience and modesty. What is harder still, it often requires a willingness to offend regional allies. The Bush Administration faced this dilemma in Egypt, and flinched, sacrificing the cause of democratic reform in order to enlist the Mubarak regime among the moderate Sunni states which were to counter the growing influence of Shiite Iran.

As we try to use what leverage we have in order to provoke reform abroad, we will find ourselves asking two questions: “What are we to promote?” and “How are we to promote it?” As for the first, President Bush speaks rhapsodically of “freedom” as a supreme force which “warms those who feel its power” and “burns those who fight its progress.” But freedom, understood as the absence of constraint—“negative” liberty, in Isaiah Berlin’s terms—is scarcely the universal and self-evident good that the President imagines it to be. In much of the Middle East, for example, “freedom” means something very much like “license,” and thus “disorder” and even “depravity.” The word “justice,” which to ordinary people signals protection from arbitrary treatment and access to at least the rudiments of a decent existence, probably warms far more hearts. “Democracy” is, of course, a broader term than “freedom,” for it encompasses not just free speech and elections, but the development of the kind of state institutions which vouchsafe justice. Even “democracy,” though, may be fatally compromised by its all-American and neo-

colonial associations. The authors of *Ethical Realism* condemn both “Democratism” and classic realism, and instead propose a “great capitalist peace,” in which the U.S. promotes free markets, the rule of law, targeted foreign aid and the like.

A great capitalist peace would surely be a consummation devoutly to be wished. But it is too narrow a vision to guide policy. First, in kleptocratic countries, or in those where a domineering state has been hijacked by an elite, meaningful economic change is impossible absent a change in the distribution of power. But beyond that, we can not put the genie of democratic aspiration back in the bottle—nor would we want to. Think, once again, of Egypt, where Hosni Mubarak’s son, Gamal, has placed leading technocrats and businessmen in important cabinet positions. This may offer some modest grounds for hope of economic growth. Are we, then, prepared to support economic reform without political reform? Should we allow the regime to crack down on democratic activists so long as it promotes a private marketplace? What’s more, do we wish to be seen doing so by the Egyptian people? Even the most cynical calculation would show how self-defeating such a policy would be. Democracy, like it or not, is inescapable.

In a recent essay, Larry Diamond and Michael McFaul, scholars at Stanford and authorities on democratization, argue for a vision of democracy promotion very different from the one the Bush Administration has pursued. Democracy, they write, starts at home: “Our greatest tool in advancing democracy is the example of our own system.” We must be willing to bind ourselves through treaties and forswear torture and other gross violations of individual rights. We will be judged in everything we do; we must act with that full awareness. Moreover, we should abandon the fantasy of imposing democracy from above, and instead seek out places where the seeds of democracy are already sprouting, and then do what we can to nourish them. We should act in concert with other nations, and enshrine the promotion of democracy as a bipartisan principle. And we must act consistently: “We can not claim to be concerned about democratic development in Iraq but then ignore the absence of democratic progress in neighboring countries.”

We know very well what doesn’t work, though the same, unfortunately, can not be said for what does. In October, 2002, Marina Ottaway, Thomas Carothers, Amy Hawthorne and Daniel Brumberg—the leading experts on the spread of democracy in the Middle East—wrote an extraordinarily prescient essay predicting that any attempt to impose democracy on Iraq would fail. “Iraq is a country torn by profound ideological, religious and ethnic conflicts,” they wrote. The U.S. would have to reconcile Sunni, Shia, and Kurd, and then hold the state together until legitimate indigenous leadership arose. “In short,” they concluded, “the United States would have to engage in nation-building on a scale that would dwarf any other such effort since the reconstruction of Germany and Japan after World War II.” They also poured cold water on hopes for a democratic “tsunami” originating in Iraq, pointing out that “an invasion would very likely intensify the anti-Americanism already surging around the region, strengthening the hand of hard-line forces.” “The idea of instant democratic transformation in the Middle East is,” they concluded, “a mirage.” But the mistake was not the aspiration, but rather the Bush Administration’s willful blindness about the limits of the possible. “The United States will be forced to work with existing regimes towards gradual reform,” they wrote, “and this is a good thing.”

That constitutes, of course, a stinging rebuke not only to the utopians of the Bush Administration but to the liberal Democrats who supported the war in Iraq in the hopes of provoking a democratic transformation across the region. No such outcome was ever in the offing; the stubborn facts of history and culture precluded it. It was, perhaps, an error very much in the American grain, for we believe both in the universality of our own principles and in the infinite malleability of human nature. We give too little credit the stubbornness of things, as Kennan and Niebuhr and Morgenthau tried so hard to tell us. But we can jettison our ruinous fantasies without surrendering hope in our capacity to shape a more democratic, and a more just, world. We can accept reality without becoming “realists.”

A NEW HOPE? HOW REMITTANCES ARE RESHAPING THE FUTURE OF THE THIRD WORLD

SELWYN CHU

Remittances, the transfers of wages earned by migrant workers to their home countries, have increased drastically in recent years, a phenomenon that is both cause and effect in the ever-globalizing world of the nascent 21st century. With a total inflow that surpasses international aid, remittances are the new hope for lifting the Third World out of poverty. The struggle to harness this burgeoning economic force is underway but many significant and familiar challenges remain. Burdened by the failed legacy of past development policies, remittances are now left to succeed where traditional aid did not. For a world mired in a seemingly unchanging present, how remittances fare in that endeavor may determine how its future could be different, and just how soon that future might arrive.

Along with the emergence of an increasingly globalized world economy has come a litany of new dynamics and trends that will have critical bearing on the way policymakers approach the age-old quandary of stimulating and sustaining economic growth in the Third World going forward in the 21st century. The most notable of these phenomena is the ever-expanding pool of migrant labor that has penetrated the socio-economic borders separating developed countries and developing ones and imbued these formerly exclusive economic spheres with a new transnational identity. The earnings that migrant workers send home to their families in their native countries, known as remittances, now number in the hundreds of billions of dollars annually and have become an indispensable source of income for developing countries. In 2005 alone, \$167 billion in remittances was reported received, according to the World Bank, a figure greater than the sum of all foreign aid given during the same period. As much as an additional \$100 billion is believed to have been unaccounted for.¹

The sheer volume of remittances making their way across the globe and their already salient role in many developing economies hints at a vast and yet untapped potential. Its jarring rate of growth, too, justifies the recent attention thrust upon it by economists: the World Bank reports a tripling in remittances since 2000, on the heels of an upsurge in immigrant workers abroad during the 1990s that saw their numbers balloon from 120 million to 175 million. On the receiving end, nearly a billion people, roughly one in six on the planet, are sustained by this “potentially transforming lifeline,” as one World Bank economist termed it.²

For economists, the reasoning behind such enthusiasm is not limited to scale. On a macroeconomic level, remittances boast a number of inherent advantages. They exhibit greater stability and more even distribution than other income flows like foreign direct investment and loans, making them a more reliable contributor to a country’s GNP and currency reserves than even material exports, which are vulnerable to market volatility.³ They also tend to be countercyclical in nature, responsive to macroeconomic fluctuations like inflation.⁴ In trying economic conditions, as during a depression or following a natural disaster, remittance flows increase while other private capital flows do just the opposite.⁵

From a microeconomic standpoint, remittances represent a departure in several respects from the government-based aid which occupied the bulk of development policy solutions in the past. As an intimate form of ‘private’ aid given by poor immigrant workers in developed countries to their even poorer kin back home and driven entirely by need and obligation, remittances divest the political and bureaucratic machinations that often confound the effectiveness of traditional third-party aid from both public and private sectors. Free of such myriad intermediate actors, money is routed directly to those most in need of it rather than having fell through the cracks of the system.

By inserting the individual into the role of principal agent, remittances add an intriguing dimension to a strikingly altered international development picture, one where the ultimate decision-makers are not government actors, outside agencies, or financial intermediaries, but rather the people for whom the money is intended to help in the first place and in whose hands it is accordingly placed. Where do remittances go from there? That would depend on what their recipients choose to do with them and what choices they have. In an ideal world, they would simply choose to save, and the savings they reap would lead to investment and capital accumulation—the twin engines of economic growth—thus precipitating their rise out of poverty and into the middle-class.

Of course, we do not live in an ideal world and the choices to be made in the world we do live in are seldom simple. Although the notion of immigrant workers bearing the burden of Third World development holds a romantic grassroots appeal, reality has proven itself a stubborn cynic, producing little more than an unsightly amalgam of policy failures and institutional defects that have entrenched themselves like a cancer at the heart of the world’s most impoverished regions. Whatever a developing country’s sources of income—remittances, foreign aid and investment, exports, etc.—its government more often than not neglects the basic tenets of economic development: providing adequate public services like education and health care; encouraging private investment and backing it with enforceable legal measures; creating an open banking network from which credit is readily obtainable. Deprived of such essentials, even remittances become

a force for something other than life and growth: waste, inflation, complacency, income inequality that demarcates recipients and non-recipients.⁶ Consequently, sustainable development continues to be an elusive end, with subsistence still representing for many the aspiration and status quo.

In such an unaccommodating setting, how are remittances to be regarded in the crowded and convoluted field of development policy? Unlike their predecessors, remittances are assured of reaching the individual and addressing short-term needs. Invested or not, they offer an inverted and more democratic economic order in which such funds are left to the discretion of the people and not their representatives in government. Developing economies, though, are fraught with weak market infrastructures in need of modernization; without underlying mechanisms to otherwise guide remittance flows, aggregate benefits are predicated on local initiative, a dicey proposition which, minus the proper incentive on the part of recipients, disfavors broader growth-oriented programs that extend beyond the individual household level. The question, then, becomes how to coordinate the overlapping interests of the many beneficiaries of remittances in a manner conducive to economic development.

Incentive is an appropriate place to begin. The capitalist impulse towards enterprise is not indigenous to most recipients of remittances who concern themselves first and foremost with the bare necessities: food, clothing, and shelter. If there is money left over afterwards, it is usually marginal—on its own, hardly enough to coax entrepreneurial ventures out of a household with scores of children, relatives, and friends to care for. Even given residual funds, expenditures tend to be familial, not communal, and fueled more by self-preservation than opportunism: building homes, purchasing livestock, covering travel fees for sending other family members abroad to work.⁷ Meaning, absent greater incentive to do otherwise, remittances go towards consumption by default.

Out of this awareness two strategies have arisen in Latin America, a region which has been at the forefront of the movement to harness remittance flow. One has been to encourage recipients to open savings accounts, building up bank deposits that can be translated into loans and serve as much-needed sources of credit for fledgling businesses. Another strategy has been to promote direct investment on the part of recipients into community-wide businesses backed by government and aid agencies in the hope of attracting outside capital. Both strategies, however, depend on improved access to financial institutions in Latin America, where most of the \$55 billion in remittance income received in 2005 arrived via money transfer organizations (MTO) instead of banks. A survey conducted by the Inter-American Development Bank (IADB) indicated that 19 of every 20 households in the region that are beneficiaries of remittances either do not trust or do not have access to financial institutions. Efforts to expand available financial services—by enabling the work of micro-banks, which specialize in small loans to the poor, for instance—while progressive, have been hindered by various legal and regulatory barriers in certain countries and the reluctance of major banks to pursue lower-income clientele.⁸

The proliferation of such endeavors now in the pall of a century's worth of failed development policy invite a reassessment of current approaches to developing the Third World. This context is a deserved point of emphasis: If the last fifty years have demonstrated anything, it is that throwing money at the problem does not work. At the World Bank

and other international aid groups, the outdated Harrod-Domar growth model has maintained a persistent influence on policy decisions despite consistently poor results. Africa is an archetypal case study: during the three decades spanning 1970 and 2000, the World Bank contributed over \$400 billion in aid to Africa using the Harrod-Domar conception of a financing gap between the amount of investment required for the countries' growth and that of their existing capital resources. Not only did Africa experience no growth, but the period in fact witnessed a decline in per capita GDP.⁹ Much of the fallout stemmed from the policies' inability to address, and the Harrod-Domar model's inability to account for, serious structural deficiencies characteristic of most developing economies: extensive government control and high inflation, weak credit institutions, heavily managed exchange rates, and corruption.¹⁰

Corruption remains one of the more troubling and endemic features of developing countries and its counteracting effect on economic growth is well-documented.¹¹ Its prevalence also gets at the reason foreign aid has sometimes exacerbated instead of improved conditions in struggling regions of the world like Africa. Aid given to corrupt and incompetent regimes reinforces their authority and the bad policies that same authority enables; among the people living under the regimes, it fosters an unhealthy culture of dependence on government.¹² The developmental economist P.T. Bauer viewed foreign aid as a dangerous anti-market force that stunted rather than spurred economic growth, his convictions an antecedent to the adage that foreign aid is "the means by which poor people in rich countries give money to rich people in poor countries."¹³ Indeed, recent statistical analyses lend his assertion ample support: measured against the Economic Freedom Index, as aid climbs toward 25% of GNP, economic freedom falls by 1.2 points, a 20-40% decline in the majority of developing countries.¹⁴ Bauer's philosophy was rooted in the classical liberalist tradition in which the core value of economic development was the maximization of individual choice. Given that, perhaps Bauer would have seen a certain promise in remittances that he did not in foreign aid, remittances that are fruits of personal and familial labor, means of self-sustenance; remittances that offer nothing if not choice.

Still, there is reason to believe that foreign aid will ultimately have a prominent part to play in the advent of a successful development policy as more and more economists and policymakers come to believe that a synergistic approach in which aid and remittances complement one another represents the Third World's best chance of achieving sustainable economic growth. With a tailored focus, aid can strengthen existing infrastructure and facilitate a broad spectrum of remittance-based investment schemes, from public works projects to private enterprise. It can fund outreach programs to engage migrants' families and their communities and increase exposure to the formal banking sector, leveraging remittance flows through financial access. Aid from the United States allocated to improve such services to microenterprises, for instance, has been cited by Manuel Orozco, senior associate at the Inter-American Dialogue and executive director of the Remittances and Rural Development Project, as an important instrument in "creating an economic base of Central American consumers and markets."¹⁵

Caroline Moser, a senior fellow of global economy and development at the Brookings Institute, has advocated a dual approach to asset accumulation that distin-

guishes between first- and second-generation policies—the first to establish a proper socio-economic infrastructure (access to financial institutions, quality education, state-protected property rights, etc.), the second to “strengthen accumulated assets and ensure their further consolidation rather than erosion.” Policies in recent years have begun to follow suit. The Multilateral Investment Fund (MIF) of the IADB stands as a shining example of such initiatives, having provided over \$20 million worth of funds for projects throughout Latin America, much of which has poured into microfinance (MFI) and credit institutions for capital investment. One of MIF’s most successful efforts, the Red de la Gente project, started in 2003, created a comprehensive network of 1,200 distribution centers in collaboration with major banks, MFIs, credit unions, and MTOs to offer remittance payment services in predominantly low-income areas with heavy emigration profiles and no coverage from the formal finance sector. Their presence and intervention have recruited thousands of new clients into the banking system who initially came solely for remittance services.¹⁶ Other programs include Mexico’s Three for One, which combines federal, state, and local government resources to match every dollar contributed by migrants to fund community development projects such as paving roads and building homes, schools, and hospitals.¹⁷

Despite these encouraging successes, there is in the Third World far to go and much to do, an understanding gleaned through struggle and honed by time. Every year, from every destitute corner of the globe, people migrate out of circumstance, not desire; for too long, those circumstances have been crippling poverty and abject suffering. As millions more cross oceans and hop borders to ensure the survival of their own, the question of whether remittances will amount to something greater than just a scattered collection of human interest stories remains an open one. There is cause for optimism, but it is a cautious optimism.

Meanwhile, change is a work in progress—slow but sure, if not always forward-moving. In Oaxaca, Mexico, an enterprising cooperative of women uses the money from their husbands’ labor in the lettuce fields of California’s Salinas and San Joaquin valleys to open a nopal plant in their community.¹⁸ In Saint-Louis du Nord, Haiti, a migrant comes back to bequeath to family, friends, and former neighbors the modest wages he earned in the U.S.¹⁹ In the Philippine capital of Manila, applicants line the blocks of local recruiting agencies seeking jobs, destinations, a future.²⁰ In Kisumu, Kenya, a woman overcomes her impoverished beginnings to attain a college degree and a management position at a major hotel in the capital city, thanks to the financial support of an elder sister working as a nanny in Rome.²¹

Where will this all lead? The hope for many is a return home, to stay; towards a future where there is choice and choice has meaning, where prosperity is not so far-fetched a vision and dreams can be born and built on native soil. Until then, the movement continues, from one world to another, one hand to another in wait, a few hundred dollars at a time, a billion lives in tow.

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THE BALANCING ACT IN CONFLICT RESOLUTION

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Today, human suffering at the communal level is a shared feature of conflict. The post-Cold War era saw the ostensible shift in the nature of conflicts from interstate to intrastate, often complicated by ethnic or religious tensions, non-state aggressors and protracted violence that directly affect civilians. In response to this mushrooming trend, the international community has slowly begun to mobilize international mechanisms for accountability and justice. However, the task of assigning accountability to individual perpetrators of mass violence has its shortcomings in conflict or post-conflict states, where prosecutorial procedures faced with critical constraints in institutional and socioeconomic capacities can prove to be operationally counterproductive from the perspective of the humanitarian situation on the ground. While the international community appears to reach a consensus that justice is a key factor in promoting sustainable peace, development and conflict prevention, the question of how to calibrate such longer-term benefits of justice with the arguably more urgent humanitarian impetus to halt mass atrocities remains an issue of contention. This paper will explore the various linkages between transitional justice and the consolidation of peace, including issues of impunity and accountability, national reconciliation and democratization in transitional states, and the scope of international community engagement.

I. Introduction: Peace and Justice in the New World Order

The post-Cold War era saw the emergence of new international crises, which gave way to an increasingly fluid paradigm in the sphere of international relations. While the political landscape prior to the 1990s was dominated primarily by political gridlock and

Cold War proxy wars, the burgeoning trend has been characterized by intrastate conflicts which are often complicated by ethnic or religious tensions, non-state aggressors, and protracted violence that directly affect civilians. In order to adapt to these new phenomena that mushroomed in particular across the African continent, U.N. peacekeeping evolved to encompass peacebuilding, or nation-building. This adaptation was the product of a pivotal conceptual link made between sustainable peace and development in post-conflict states, as well as an important acknowledgement of the challenges that lie beyond the cessation of immediate hostilities.

One of the primary objectives of this new generation peacekeeping should be to ensure justice and to redress violations of human rights and other serious war crimes in intrastate conflict. However, this goal is complicated by a need to strike a delicate balance between the call for justice and the more urgent desire for peace in failing states. The question of linking peace and justice has devolved to that of establishing priority—which should be given precedence over the other to achieve successful conflict resolution?

Today, human suffering at the ‘communal level’ is a shared feature of contemporary conflict.¹ In response to the spike in intrastate conflicts, the international community has slowly begun to mobilize international mechanisms for accountability and justice, where before none had existed with the exception of the Nuremberg and Tokyo tribunals. International criminal tribunals, such as the ad-hoc criminal tribunals for the former Yugoslavia and Rwanda, as well as the creation of the International Criminal Court (ICC) in 2003 have strengthened the mounting global interest in the concept of transitional justice. The predominant mechanism to respond to mass violence, human rights violations, and crimes against humanity has come to focus on individual, and not state, accountability.

While international trials and the search for justice are laudable, assigning accountability for mass violence to individual perpetrators has its limitations in failing states. Empirically speaking, prosecutorial procedures often prove to be operationally counterproductive from the perspective of the bleak humanitarian situation on the ground. In some cases, fragile democracies, weak judiciaries, and amnesties make domestic trials dysfunctional or impossible to institute, and thereby wield no effective influence on the actual atrocities being committed; in other cases, the threat of international criminal prosecution to the perpetrators bars peacekeeping operations and humanitarian aid from reaching those who need them most.

In examining specific conflicts in Africa, this paper will argue that peace should precede prosecutorial procedures in the name of the humanitarian impetus to halt mass atrocities committed against vulnerable civilians. At the same time, it is recognized that for peace to ultimately prevail, justice must follow it in an efficient and realistic form of global response, as the delivery of justice is a vital component in the consolidation of this tenuous peace. Moreover, justice is a key factor in promoting stability, development, democratization and future conflict prevention. The paper will examine (1) the relationship between justice and peace, (2) the question of impunity and accountability, (3) the issue of national reconciliation and democratization in failed states, and (4) the role and scope of international community involvement.

II. Introducing the Threat of Criminal Prosecution to Failing States

One of the contemporary conflicts in Africa that is currently drawing much media attention in the Western sphere is the Darfur crisis. In a commentary published in the Sudan Tribune, Kamal al-Sadiq observed that the international community's efforts towards conflict resolution in Darfur are primarily political and confrontational.

The first course [...] is that of the International Criminal Court in The Hague after it named two suspects for committing war crimes in Darfur... The second course is the Human Rights Council in Geneva where the first report presented to it indicated that the [Sudanese] government [directly participated in] and coordinated the crimes committed in the region... [Another] course is a British draft resolution, supported by the EU and U.S., to *punish* the government for refusing the deployment of a joint force in Darfur according to the Addis Ababa agreement...² (Italics mine)

Sadiq claims that the gestures taken by the international community lack a certain element "among this entire hullabaloo. The peace that these international forces are coming to protect is what is noticeably missing at present in the region." Normative as the editorial is, he nevertheless presents a reasonable argument when he claims that the "forgotten" goal of peace must be prioritized in order to achieve lasting peace and security for Darfurians. The Hague—and the memories of Milosevic and Taylor that linger over its name—is perceived as a real threat by President Omar al-Bashir, who has routinely frustrated U.N. attempts to send in peacekeeping troops to supplement the 7,000 African Union forces in Sudan. His diplomatic inconsistency finally tipped in favor of accepting 3,000 U.N. troops in April 2007, and only with much flexing of diplomatic muscle on the part of the Security Council and significant players including the rhetoric-wielding United States and a peevishly reluctant China.

As members of the international community blamed one another for standing to the side, powerless or neglectful, one lesson that the Darfur crisis has already bequeathed is the notion that justice can at times be an impediment to the pressing need for humanitarian intervention in the face of gross human rights violations. What has the confrontational approach of brandishing before Sudan's face the name of the ICC, symbol of justice, and a draft resolution to 'punish the government' achieved on any concrete level? The ICC's naming of the first suspects in Darfur, while morally important, has been operationally counterproductive. When the next Darfur-style conflict erupts, the international community will reach a similar crossroads. Is it better to isolate accountable countries or continue diplomacy? Should the moral voice of justice be championed, or the "forgotten" course towards peace prioritized?

The same paradigm could be used to frame Liberia's protracted civil war and multiple failed peace agreements of 1996-7. The fear of prosecution by an international tribunal or of post-war retribution by internal enemies posed the largest obstacle to even initiating a peace process with the various parties involved.³ When mutual fear consolidates mutual rejection of any peace process, it is the role of the international community to address this difficulty at the outset of peace talks.

The legacy of a failed state left to President Ellen Johnson Sirleaf, elected in 2005, appears to many observers one giant mess as the result of civil war's cycle of violence, during which there were few means by which international players could mitigate civilian suffering amidst the raging conflict. If the deep pessimism for sustainable peace in Liberia is rooted in the earlier numerous failures of international involvement in brokering peace, a conclusion of widely applicable relevance emerges for international mediators. The balancing act of inducing peace and simultaneously pressuring perpetrators with criminal prosecution is a delicate one—the difficulty lies in vitalizing political will for concerted engagement at both national and international levels to direct warring parties towards peace.

It is a cost-benefit analysis: civil wars typically end when "political leaders on the ground finally accept the reality that they are unable to prevail militarily and that the war is costly and risky to their own personal interests."⁴ To create the right mixture of reward and punishment, the empirical record dictates the necessity to initially minimize the threat of justice to thereby curtail mutual suspicion, which was particularly injurious in Liberia's case. Civil destruction must be understood in a broad context: peace must be bargained before societies can begin to redress, recover, and rebuild.

Similarly, the peace talks in Uganda are a demonstrative case for how peace processes can hinge on the existence of prosecutorial threats. On April 14 2007, Uganda's government and the Lord's Resistance Army rebels signed a new two-month truce, propelling the efforts to end a brutal civil war that has spanned two decades. LRA representative Christus Ayena Odongo assured the people of Uganda that this truce signaled a "serious resumption" of the peace process since talks effectively came to a stall in January amid mutual distrust among the parties⁵—an echo of Liberia's conundrum. The U.N. envoy in the peace efforts, Mozambique's former president Joaquim Chissano, likewise called the truce "a no-return trip towards peace in Uganda;" however, despite the optimism, the government and the LRA both acknowledge that progress towards a final peace deal is complicated by the ICC's indictments for war crimes against Joseph Kony, the elusive LRA leader, and four of his top LRA commanders.⁶

Arrest warrants have been the key sticking point in Uganda's peace process, since the LRA's top leaders, including Kony, have repeatedly refused to leave the bush unless amnesties are granted in exchange. The ICC, on the other hand, has called on U.N. peacekeepers in Sudan and Congo to arrest the indicted men, and the chief prosecutor Luis Moreno-Ocampo has said that Uganda's government is obliged under international law to arrest and extradite these LRA leaders.⁷ With the top LRA leaders missing from the negotiating table in Juba, southern Sudan, peace brokerage had stumbled along in darkness since July 2006 before completely breaking down in January 2007. The conclusion to be drawn is the same as Sudan or Liberia: justice has certain limitations during or in the immediate aftermath of civil conflict. Accountability for brutality impinges heavily upon the current, dangerously fragile Ugandan 'peace,' relative to the peak of bloodshed in the 90s.

III. Long-Term Sustainability vs. Immediate Calls for Peace

When assessing the relationship between justice and peace, one finds that giving precedence to justice is based on unrealistic goals. First of all, once the international

community assumes responsibility for the adjudication of international law, it will likely itself have to fund judicial procedures to redress crimes. Britain's proposal to jail former Liberian president Charles Taylor if he is convicted of war crimes at The Hague, for example, demonstrates the concerns of the potential costs of keeping such a high-profile inmate behind bars. The estimate is "in the region of 44,000 pounds" (87,200 dollars) a year.⁸ This in turn leads to the question of political will on behalf of the international community. Does it—will it—exist when we are finally called upon to assume the duty? It will likely take some time for the international community to pool enough resources for an adequate response.

Secondly, it is even more unlikely that justice will be effectively delivered under national jurisdiction. The lack of logistics, materiel and personnel in a state rising from the wake of war makes difficult—if not impossible—the domestic institution of any functional form of law and justice. Thirdly, a state's lack of political will to ensure justice, the obstruction of justice on the local level, and victims' fear of retaliation in the absence of stable peace are major obstacles to establishing and prosecuting accountability when civil conflict is either still raging on or in its immediate aftermath.

In Sudan, for example, despite the establishment of new domestic courts and a prosecutor's office, the government has done little if anything to implement its promise of justice for the crimes committed in Darfur. Judge Mahmoud Mohammed Said Akbani, president of the Special Criminal Court on the Events in Darfur (SCCED)—which was to serve as a national "substitute to the International Criminal Court"⁹—stated the court has been unable to try individuals who allegedly committed serious crimes against humanity. He attributed this critical failure to the general insecurity of the region and the witnesses' unwillingness to come forward with their testimonies.¹⁰ The International Commission of Inquiry found that the Sudanese legal system is crippled by serious judicial flaws and thus unfit to address the Darfur crisis; the SCCED only exemplifies these flaws. For example, the Janjaweed attacks from 2003 to the present, which officially fall under the category of violations of international humanitarian law and crimes against humanity, are mentioned in neither the Sudanese Criminal Act of 1991 nor military statutes.¹² The lack of proscription in domestic law, the incapacity to adjudicate, and civilian fear rising out of regional insecurity thus construct a dire barrier to proper criminal prosecution when peace is absent.

Short-term considerations, on the other hand, present a strong argument for prioritizing peace before justice. When caught up in the theoretical rhetoric of conflict resolution, it can be easy to overlook or forget the gravity of the atrocities on the ground. U.N. officials estimate that the Darfur conflict has taken over 200,000 lives and uprooted some two million people since 2003.¹³ As many as four million are currently in urgent need of humanitarian aid, according to the U.N. Under-Secretary-General for Humanitarian Affairs and Emergency Relief, Jan Egeland.¹⁴ Attacks on civilians, killings, rape, torture, looting, and arbitrary arrests continue, and the upsurge of violence has spilled over into the nation's neighbors. Meanwhile, NGOs voice the urgent need to protect children in war-torn Sudan from human rights violations that "include killing and maiming, rape and other forms of sexual violence, abductions, denial of humanitarian assistance, attacks on schools and hospitals, and recruitment and use by

armed groups."¹⁵ The humanitarian impulse demands that these atrocities be ended first and foremost.

Appalling humanitarian situations were also characteristic of the Rwanda genocide of 1994, and remain so for the violence in Somalia which has caused at least 200,000 civilians to flee their homes in Mogadishu since February 2007.¹⁶ In Uganda, the LRA is notorious for the massacres and mutilation of local civilians, and the abduction of close to 30,000 children since 1986 to serve as fighters, porters, and sex slaves.¹⁷ Nearly two million people have been displaced and forced into squalid camps, where some 1.7 million are still estimated to remain despite the resettlement efforts that began in 2006, due to prevailing insecurity in the north.¹⁸ Human lives are directly and critically at stake, while the institution of justice is a longer-term goal to be addressed.

When the long-term prospects of national recovery are still wrought with doubt, civilians often express the desire to return to 'normal' life, given protracted conflicts as in Uganda. Residents of Gulu, a small town that was the center of the insurgency, consistently experience imminent threats since the peace process is in constant flux. The LRA remains in the forest, threatening to recommence hostilities unless their conditions are met. Because the likelihood is real that these pockets of LRA rebels will resort again to fighting, abducting children, massacring innocent non-combatants, and stealing food and resources, it is widely believed in northern Uganda that the only way to achieve peace is through peace talks, rather than through a military or prosecutorial solution. There is a unified wish in the town "that the war ends and people return to normal life... that's everybody's wish."¹⁹

President Yoweri Museveni, who had initially urged the ICC to issue warrants for the rebels indicted on war crimes charges, is now offering them amnesty if a final peace deal is struck. Concerned that its work may be compromised, the court ordered a more extensive investigation into Uganda's efforts to arrest and extradite the rebel leaders. However, Jan Egeland, after a trip to northern Uganda and southern Sudan in September 2006, has urged the Security Council to focus on backing the peace efforts rather than pushing for putting rebel leaders on trial immediately since "this is the best chance we have ever had for peace in northern Uganda."²⁰

Again, the sticky issue of the arrest warrants issued by the ICC against Kony and four top commanders resurfaces as the crux of the challenge for conflict resolution. Kony has repeatedly said that he will never surrender as long as he faces this prosecutorial risk. Immediately following the indictments of 2005, the Ugandan mediator Betty Bigombe argued that they significantly slowed peace efforts because the court had "rushed too much."²¹ The impasse in peace talks since the indictments has similarly frustrated many Ugandans, sick from two decades of war, who "say they would rather the charges go away than the war grind on," according to Jeffrey Gettleman, a journalist who has extensively interviewed civilians in northern Uganda.²² Uganda being just one example, war fatigue is a considerable variable for peace in many of the protracted civil wars in Africa. Since the most brutal massacres of the mid-1990s, the desire to put the past behind them and move on is particularly striking among Ugandans. In this respect, Bigombe's claim that the court "rushed too much" is viable to say the very least.

IV. Amnesty, Impunity and the Issue of Individual Responsibility

The case for Uganda raises the important issue of amnesty and impunity, which frequently triumph in small political coalition states. Justice and accountability, on the one hand, or impunity on the other, are not new choices that post-conflict states face. Short-term urgencies increase the pressure for amnesties or pardons in the name of reconciliation, while longer-term prospects for those who have suffered to come to terms with the past promote the prosecution of crimes. The mainstream policy, born out of political considerations or otherwise, has historically been one of impunity, even for the most appalling atrocities.

There are nuanced schools of thought on the matter, the liberal approach of which suggests that there will be no sustainable peace without justice. However, there is need for a degree of so-called realism, in which the ability of the law to be productive in conflict resolutions has certain limitations.

While amnesties attract sharp criticism from international bodies and at times victims of the conflict, conceding to the pressure for peace would constitute of a breach of justice only if unconditional amnesties entirely precluded the possibility of justice. The choice does not necessarily have to be one between accountability and peace—that is, between “justice and forgetting.”²³ Empirical record shows that the option is rather between justice and vengeance.²⁴ A domestic policy of impunity may be itself a catalyst to atrocities being committed; individual responsibility can diminish the phenomenon by decollectivizing guilt by one ethnic/religious/political group against another.

It is therefore necessary to battle impunity in order to promote the longer-term goals of reconciliation, peace and democracy, while simultaneously achieving the short-term objective of securing tenuous peace. However, combating a culture of impunity is not a quick fix; the international community needs to comprehend the long-term proposition it implies, and the patience it subsequently requires.

The granting of amnesty is often a political tool in the peacemaking process, and to this end, there is room for gray between the traditional black and white of accountability versus peace. Conditional amnesties—such as amnesty with a “grim trigger”²⁵ punishment mechanism to discourage the resumption of violence—or postponed due process of law can counteract reprisals by individuals or communities that have been victimized. The positive, pragmatic, and humanitarian goal of mitigating human suffering can thus offset what would otherwise be the negative effect of postponing judicial procedures. Moreover, amnesty—which may be a necessary bargaining chip in peace talks (e.g. Sierra Leone, Cambodia to leverage parties to relinquish power or end rebellion)—is not necessarily equivalent with impunity, which implies foregoing accountability altogether. As in South Africa, for example, amnesty can be readily linked to an accountability process or prosecution.

More importantly, the voice of civil society must be considered at the forefront in the choice between prioritizing peace or justice, as illustrated by the Lomé Agreement of 1998 in Sierra Leone. The notorious agreement contained in its provisions amnesty for the warring parties; however, civil society was represented in the agreement and clearly expressed the desire for peace. Kofi Annan acknowledged that “many compromises were necessary”

but who is the U.N. to tell the people that they cannot have peace?²⁶ Although the agreement was arguably ex post inefficient, had the U.N. not endorsed it, it would have contradicted the will of civil society to sign—an indication of the people’s will to attain foremost peace and security before justice. Moreover, it is important to note that the offer of amnesty in the Lomé Agreement did not bar the efforts to set up the Special Court for Sierra Leone.

It is arguable as to what extent international law could prohibit amnesty. However, there is a trend towards restricting the categories of violations for which amnesty can be offered. Thus, in order to address accountability, there is a need to clarify what categories of individuals are (or are not) liable to criminal prosecution; what mechanisms will bolster proper arrest procedures, conditions of detention and fair trials; and what conditions amnesties should provide for. For instance, the Lomé Agreement maintained the reservation entered by the U.N. that the amnesty, although a necessary compromise to facilitate DDR, cannot cover genocide, crimes against humanity, war crimes, and other serious violations of international humanitarian law.²⁷ The Democratic Republic of Congo’s Lusaka Accord foresaw amnesty as an option, except in the case of Hutu génocidaires. The issue of clarification presents a central puzzle that remains open to debate.

More critically, however, the inherent problem lies in the culture of impunity upon which amnesties are founded. The search for the appropriate fora for justice in the Rwandan genocide of 1994 sheds an exploratory light on this issue. While national courts remain the principal forum for the administration of criminal justice, functional courts may not be available due to a destroyed infrastructure, the lack of judicial independence, or the absence of political will. This was Rwanda’s scenario in the aftermath of the genocide.

Recognition by the international community of this widely observed phenomenon led to the establishment of international courts to redress crimes of specific conflicts, including the post-World War II tribunals, the U.N.’s ad hoc tribunals, and the most recent ICC. However, aside from criminal prosecution, the last two decades have seen an escalating interest in pursuing other possibilities for establishing individual responsibility and accountability in states that have risen from the wake of political trauma and humanitarian tragedy. These include truth commissions and other mechanisms to supplement conventional instruments of law. Such so-called alternative mechanisms can facilitate political transition to improve human rights practices, deter future violations and promote national reconciliation.

Rwanda’s genocide was a test case for this delicate balancing act between the widely varying interests of war-torn civil society, victims, perpetrators and the international community. The thorny gridlock was aggravated by the weight of the heinous acts committed. Journalist Philip Gourevitch described the horrendous ethnic conflict:

With the encouragement of [radio propaganda] and of leaders at every level of society, the slaughter of Tutsis and the assassination of Hutu oppositionists spread from region to region... Neighbors hacked neighbors to death in their homes, and colleagues hacked colleagues to death in their workplaces. Doctors killed their patients, and schoolteachers killed their pupils... Throughout Rwanda, mass rape and looting accompanied the slaughter. Drunken militia bands, fortified with assorted drugs from ransacked pharmacies, were bused from massacre to massacre...

At night [the killers] cut the Achilles tendons of survivors and went off to feast behind the church, roasting cattle looted from their victims in big fires, and drinking beer... in the morning, still drunk after whatever sleep they could find beneath the cries of their prey, the killers at Nyarubuye went back and killed again. Day after day, minute to minute, Tutsi by Tutsi: all across Rwanda, they worked like that.²⁸

After the death of 500,000 to 1 million Rwandans over a course of a few months, and the victory of the RPF in mid-summer of 1994, the new regime vowed to bring justice to those who had participated in the genocide. The Security Council created an international tribunal for the purpose, but the new Rwandan government resisted the notion of universal jurisdiction in favor of domestic legislation. However, the genocidal violence left but negligible remnants of a judicial system, and the Rwandan government could not begin its judicial process until the end of 1996. By 2002, 5000 had been tried, with several hundred sentenced to death; meanwhile, the government continued to detain over 100,000 alleged perpetrators in squalid, overcrowded facilities.²⁹ The judicial system wholly inadequate with regard to physical resources, availability of trained judges and lawyers, the questionable impartiality of judges—a problem observed in Kosovo as well—and the availability of domestic prosecutors who were willing to speak out against possibly powerful government officials or their supporters. This last problem is especially acute in states undergoing transition from authoritarian to democratic rule (an observation to be discussed in the next section).

When conventional instruments of law fail in cases like post-genocide Rwanda, how do we adjudicate individual accountability to include both a sense of justice as well as the possibility of achieving ‘closure’ for the victims and the resuscitation of a traumatized state? As the Rwandan case demonstrates, states must choose appropriate criminal and non-criminal forms of delivering justice, by exploring the purposes behind accountability, the different fora to address them—i.e. domestic, foreign, international—and the categories of individuals that should be held responsible.

The important thing to note is that the choice between two ‘evils’—the threat of international criminal prosecution that engenders a policy of impunity and non-criminal prosecution that invites retaliation from civil society and victims traumatized by war—does not necessarily entail scrapping one entirely for the other, when we envision longer-term goals of peace and security. Justice and peace can be delivered in nuanced, efficient ways on a case-by-case basis as to ensure the sustainability of the fragile peace in post-conflict states. Before turning to possible methods of reconciling the first priority for peace with the longer-term necessity for justice, it is necessary to further study the grim issue of impunity and its implications on democratization.

V. Post-Conflict Democratization

Having established that justice is a vital component in consolidating the post-conflict fledgling peace, it is necessary to conceptualize the relationship between impunity and democratization. Impunity is an obstacle not only to compliance with human rights norms, but also to democratization and legitimacy of post-transitional government; it thus renders

more brittle the potential for longer-term stability, peace, and democratization that promotes future conflict prevention.

Consider the ICC Statute which requires the prosecutor to consider, before launching an investigation, whether “[t]aking into account the gravity of the crime and the interests of victims, there are nonetheless substantial reasons to believe that an investigation would not serve the interests of justice.”³⁰ How can the international community discern when “the interests of justice” would be served, and at what point can it determine that the international legal process should trust upon states the duty to prosecute past abuses? If governments continue to defer to amnesty over trials, the prospects for a customary norm requiring prosecution seem indeed bleak.

The U.N. Human Rights Committee “has repeatedly found that states have a duty to investigate and prosecute those committing disappearances, summary executions, ill-treatment, and arbitrary arrest and detention,” but most of the states on which this *opinio juris* was imposed neither welcomed nor complied with the rulings³¹—all of them were transitional democracies. These include Argentina, Uruguay, Chile, Brazil, Peru, Guatemala, El Salvador, Honduras, Nicaragua, Haiti, Côte d’Ivoire, Angola and Togo, all of which have passed new, or honored prior-regime, general amnesty laws in the last decade to defend atrocities committed by the government. Present-day Sudan echoes this trend.

While many of these states lie outside of Africa, Ratner probes the core issue. How do we reconcile widely practiced impunity with the universally purported duty to prosecute? For these transitional states to achieve stable reconstruction and sustainable democracy, methods to serve justice must inevitably be put in place—and in practice—following the procurement of peace.

An ironic paradox encapsulates this problem. For those states that routinely do prosecute perpetrators of human rights violations do not claim that international law obliges them to do so; on the other hand, states that do not prosecute advance the argument that international law condones, or at least does not prohibit, such forms of impunity.³² Confronted with such an audacious opinion of transitional states that international law closes an eye to impunity, one can begin to fathom the yawning gap between rhetorical endorsement of resolutions passed by international organizations like the U.N., and the actual impunity practiced by those same governments. This suggests the absence of a sense of obligation and political will, at the very least in these cases of transition. As Ratner suggests, “states do not yet regard any entity proclaiming the duty as in a position to enforce [justice].”³³

To change this trend, we need to strengthen the existent instruments, like the ICC, with which the international community is equipped. The support of the international community of such legitimate entities should readily translate into substantive action by individual states to compel non-cooperative states towards compliance. The consolidation of a reliable, legitimate source of justice as a norm may be just what the international community needs to bolster peace.

VI. Role of Global and National Response

The U.N. plays a particularly large role in global response to the call for peace and justice. Its responsibility is not only to bring immediate peace, but to look to the sus-

tainability of the peace. To do so, it needs to mainstream the task of reinstating justice in peacekeeping mandates, as well as among multilateral parties that are involved in the post-conflict reconstruction.

National self-examination is another significant aspect of the balancing act, since it can potentially alleviate the impingement effects that the threat of justice may have on peace prospects. Realistically, limitations of the conventional justice system can bring only a small proportion of accountable individuals to trial; therefore there is increasing attention to the role of alternative forms of justice. In Rwanda, plea-bargaining arrangements and the *gacaca* system were employed to quicken the pace of peaceful reconciliation following the genocide. *Gacaca* refers to the 'traditional' Rwandese method of conflict resolution, whose informal, non-permanent and ad hoc sessions are used to address a variety of lesser disputes over land rights, property damage, martial disputes, inheritance rights, etc.³⁴ The overwhelming desire to forget and to forgive helped this alternative form of justice achieve unique success.

The use of Truth and Reconciliation Commissions to investigate the legitimacy of post-transitional or existent national justice systems is equally promising in promoting peace before justice. In South Africa's case, a good example of the dilemmas facing transitional states, the leadership of the apartheid-era government began to negotiate a transition to majority rule in the early 1990s. One of the most thoughtful exegeses on the question of amnesty and impunity emerged from South Africa's Constitutional Court—whether to prosecute those who had carried out apartheid and/or those who had committed violent acts to end it. Alex Boraine, a participant in the talks, described the choices left to South Africa in the quest to “come to terms with its past.”³⁵

The first option was a blanket or general amnesty, which was preferred by the former government led by President Frederik W. de Klerk, the military forces, and the police. However, this was regarded as anathema by the African National Congress (ANC), which represented the bulk of people who were victims of human rights violations. The second was to call to account and prosecute those who were directly responsible for the gross violations of human rights, so that justice could be served.

The approach was compared to the Nuremberg Trials, and supported by members of the liberation movements. However, as Thabo Mbeki, then Deputy President of South Africa, put it, “the cry [within the ANC] was to ‘catch the bastards and hang them’ but we realized that you could not simultaneously prepare for a peaceful transition... Had there been a threat of Nuremberg-style trials over members of the apartheid security establishment we would never have undergone the peaceful change.”³⁶ Thus the third option was adopted, resulting in the establishment of a “Truth and Reconciliation Commission,” which offered the possibility of uncovering the true relationship between victims and perpetrators, the restoration of dignity for victims, limited amnesty, and progress towards healing and national reconciliation.

Boraine notes that pressure from right-wing and state military and security forces was a major constraint at the table during these talks. According to President Nelson Mandela, senior generals of the security forces “threatened to make a peaceful election totally impossible” should members of the security forces face compulsory prosecution following the election. However, in spite of the darker reality of the political decision that created

it, the Truth and Reconciliation Commission can be seen as an effective compromise that provided for a limited amnesty in order to put first and foremost reconciliation and reconstruction of the nation—the call for tenable peace finally reigned.

The latest attempt to address atrocities committed in failing states, which is the creation of ‘mixed’ national and international community tribunals, to be supplemented by parallel discussions involving truth and reconciliation processes has succeeded in progressing towards a final solution. Sierra Leone is an exemplary mixed model, with the Special Court that is restricted to trying “those who bear the greatest responsibility for serious violations of international humanitarian law and Sierra Leonean law,”³⁸ and which supersedes the national courts of Sierra Leone, enabling it to secure appropriate arrests and transfers. At the same time, the Bill for the Truth and Reconciliation Commission Act, 2000, has been introduced to the national parliament;³⁹ it precludes the granting of amnesty and can be linked to prosecutions.

That these prosecutions occur is critical in attaining long-term peace. The mixed model thus possesses the capacity to adequately curb a policy of impunity by addressing victims, perpetrators, and other parties from a wide array of angles. The balancing act between the various procedures to promote peace and justice is directly applicable to this evolving model of national recovery.

VII. Concluding Remarks

Peace must be prioritized before longer-term prospects of justice and stability can enter the scene. It is also important that crimes committed during the conflict are investigated sufficiently following the temporary procurement of peace. However, the question of timing remains a complex problem in all of the issues discussed that are directly linked to justice and peace in conflict resolution. Subsequently, the lack of political will at both national and international levels weighs heavily on how these decisions are reached, implemented, and enforced or monitored.

Whatever the solution—be it a liberal approach of purging war criminals, the realist approach of granting amnesties in exchange for peace, or mixed models of reconciliation—the numbers game of determining the precise moment when a mechanism should be implemented is more difficult. Because no one-size-fits-all blueprint exists, the balancing act requires various actors to engage in efficient and pragmatic coordination and cooperation, one that the international community should be able and willing to mediate.

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THE RELATIONSHIP BETWEEN TRADE LIBERALIZATION AND HUMAN RIGHTS

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In November 1999, the United States signed an agreement with China assuring China's accession into the World Trade Organization. In May of the following year, the Clinton administration proposed granting China Permanent Normal Trade Relation status. Due to China's past behavior concerning human rights, these actions were met with much debate. Significant segments of the American public and Congress have insisted on linking trade relations and human rights. Proponents argued that expanding trade would be the most effective way to promote political reforms in China. This study asks whether trade openness is, in fact, an effective tool for improving human rights conditions. An empirical analysis using the current WTO members and observers from 1972-2005 is carried out to assess the relationship between trade openness and human rights. Using two measures of human rights, political rights and civil liberties, this study finds that increased trade openness has little (if any) effect on human rights conditions. Furthermore, it is suggested that the actual relationship lie in the opposite direction, as countries displaying higher levels of human rights tend to be more open to trade.

I. Introduction

China, WTO Accession, and PNTR Status

On March 8, 2000, President Clinton proposed that the United States grant China Permanent Normal Trade Relations (PNTR). Under normal trade relations, formerly known as Most Favored Nation (MFN), each country levies the same tariff rate on the other's exports as it applies to its other trading partners. Clinton's proposal came shortly after agreements between the United States and China were made, assuring China's membership in the World Trade Organization (WTO).

Prior to 2000, the United States had given China normal trade relations only on a year-by-year basis. Congress first approved MFN status for China in 1980 and until 1990 its annual renewal had been relatively uncontroversial. Beginning in 1990, though, following China's massacre of pro-democracy protesters in Tiananmen Square, proposals to extend MFN status met intense opposition. From 1990 through 1993, they passed on the provision that the Chinese administration certified that they had improved human rights conditions. In May 1994, Clinton reversed his position and abandoned the idea that trade and human rights should be linked in policy.

The substantive debate over PNTR reflected disagreements about the consequences of granting China that status. A core issue in the debate was the connection of the trade policy to human rights. Significant segments of the American public and Congress insisted on linking trade relations and human rights. Better trade relations would be granted to reward improving human rights conditions and withheld to punish worsening ones.

Advocates of PNTR pressed that expanding economic ties would both enrich the United States and lead to Chinese domestic reforms. PNTR, it was argued, would encourage democratization and respect for human rights in China. Economic openness would speed China's political transformation in the long run.

Opponents of PNTR pointed towards China's lack of democracy and surplus of human rights violations. They denied that commerce would bring reform. It was observed that greater trade links and economic liberalization had not resulted in improvement in China's human rights conduct nor promoted the growth of democracy in China. Granting China PNTR would deprive the United States of the leverage it could have if it made annual renewal of trade relations contingent on improvements in China's human rights conditions (Callahan 2004).

The debate over China's trade status displays the controversy regarding the relationship between trade liberalization and human rights. As the WTO becomes increasingly prominent and more and more human rights concerns are raised as a result of globalization, the need to address this relationship becomes more important. Through empirical analysis, this study focuses on the current WTO member and observer countries to examine whether increased trade liberalization does, in actuality, lead to improved human rights conditions. Additionally, this study suggests that the causal relationship lie in the opposite direction as countries with higher levels of human rights have inherent characteristics which foster increased openness to trade.

II. Discussion

The Globalization Debate

From a democracy standpoint, the welfare benefits of globalization are critical to the development of human rights in society at large. In essence, it is argued that greater economic freedom will lead into greater political freedom. Expanding economic relations with the rest of the world will expand the flow of information of political and economic reform (Callahan 2004).

As globalization significantly increases the presence of big corporations and big government, it can also give power to groups and individuals who were previously left out

of the democratic environment (Kellner 2002). Such potentially positive effects of globalization include increased access to education for individuals to whom culture and knowledge were previously inaccessible. Additionally, globalization may allow for the opportunity for oppositional individuals and groups to participate in global culture and politics through access to global communication and media networks and to distribute local struggles and oppositional ideas through these media.

In the case of China, it was contested that obstacles to free trade would only destroy China's growing market system and block the surest path toward freedom and democracy (Dorn 1996).

Thomas Cottier suggests that improved market access is an important, but possibly insufficient, contribution of an open trading system to the realization of social and economic rights in developing countries and transitional economies as many theorists, by stark contrast, have argued that one effect of globalization is a drastic depoliticization of the public.

However, welfare effects created by liberal trade seldom trickle down and do not necessarily provide distributive justice and equal opportunities for people. It may actually perpetuate privileges and injustices. Tensions and conflicts may occur where trade liberalization hurts structurally weak sectors and safeguard measures do not provide sufficiently to secure social and economic rights and interests of people affected. Additionally, trade liberalization can be associated with currency crisis that can derail economic growth for years. Even if such accidents are avoided, high interest rates and strong exchange rates can create severe unemployment.

The globalization debate makes the key assumption that there is, in fact, a connection between economic openness and human rights. Although deadlocked on the prevailing factors and outcomes of this relationship, both sides agree that trade liberalization has a significant effect upon human rights.

The Effect of Human Rights on Trade

Asking what effects human rights have on the multilateral trading system places the causal linkage in the opposite direction. Cottier suggests that respect for civil and political rights is operationally more important to the achievement of social policy goals and equitable distribution as they allow for open and robust debate. But failure to achieve such goals is likely to result in strong tension with social and economic rights and aspirations linked to them.

When these rights are protected, open markets and non-discrimination are likely to be respected and market access, predictability, and expectations are stable. Protection of civil and political rights is beneficial for good governance, which in turn is beneficial for proper conduct of trade and market access. For example, freedom of expression is important to bringing about transparency and preventing asymmetry of information in the marketplace.

Creation of the welfare state in industrialized countries post World War II was a necessary condition of sustained international market opening. Cottier contends policies of coherence and social and economic development of disadvantaged regions and individuals was necessary for trade liberalization in the European Union.

The long-term legitimacy of the multilateral trading system relies, as much as the law of many nations and the European Union, on democracy and the advancement of human rights. Vice-versa, viable human rights, both civil, political, and economic, cannot flourish without a well-functioning economic system of which international trade regulation is an important and vital ingredient (Cottier 2002).

In the case of China, James Dorn (1996) asserts that real stability will come only when China's leaders realize that it is impossible to plan the market or society. Although the leadership is willing to tolerate gradual reform to keep the economy strong, there is no indication that they will tolerate political reform. The crackdown on dissidents, the vow to prevent Hong Kong from following Taiwan's path, and the blatant hostility toward Taiwan before the presidential elections are clear signals that China's rulers continue to find any movement toward democratic rule unacceptable.

Therefore, the causality may actually lie in the other direction. The factors producing a respect for human rights may in turn lead to a tendency for economic liberalization.

III. Hypothesis

It follows from the first model developed previously that there exists a causal relationship between human rights and tendencies for trade liberalization. More specifically, I hypothesize that countries that display higher levels of human rights will tend to develop higher levels of trade openness. This is in accordance with the theoretical assumptions of the effect of human rights on the multilateral trading system as presented by Cottier, as well as Gartzke, Rosendorff, and Dai's conclusions regarding democracies and their tendencies towards economic liberalization and cooperation.

Additionally, viewing the causal relationship from the opposite direction, the theoretical evidence on globalization as well as Rudra's study have provided inconclusive results. Thus, I hypothesize the converse to be false. That is, that increased trade liberalization will not show a net positive trend in human rights levels.

IV. Data

As previously stated, this study measures the relationship between trade liberalization and human rights. Due to the global nature of trade and commerce, I believed it was necessary to examine a set of countries large enough to represent the globalized community. Ensuring a set of countries where a significant focus has been set upon trade interdependence, I decided to examine all current members and observers of the WTO.

This study measures human rights through the variables political rights and civil liberties taken from the Freedom House Freedom in the World Historical Ranking (2007) data set. The survey measures freedom, which it defines as "the opportunity to act spontaneously in a variety of fields outside the control of the government and other centers of potential domination" according to the categories of political rights and civil liberties. Freedom House states that "political rights enable people to participate freely in the political process, including the right to vote freely for distinct alternatives in legitimate elections, compete for public office, join political parties and organizations, and elect representatives

who have a decisive impact on public policies and are accountable to the electorate. Civil liberties allow for the freedoms of expression and belief, associational and organizational rights, rule of law, and personal autonomy without interference from the state.” The ratings process is based on a checklist of 10 political rights questions and 15 civil liberties questions. The total number of points awarded to the political rights and civil liberties checklists determines the political rights and civil liberties ratings. Each point total corresponds to a rating of 1 through 7, with 1 representing the highest and 7 the lowest level of freedom.

Trade and economic variables were taken from World Bank’s World Development Indicators (2007) publication. When considering the issue of trade liberalization, it can be useful to investigate how analysts measure this data. The ratio of trade (i.e. exports and imports) to GDP is used to see the extent to which an economy is integrated into the world market. Any increase in this ratio denotes a state of higher international economic integration (Apoteker, Crozet 2003). Accordingly, a trade-openness variable was created by dividing the sum of exports and imports by GDP.

Additionally, current Organization for Economic Cooperation and Development (OECD) member nations were coded by a binary system. 1 denotes members and 0 denotes non-members. WTO membership was also coded for in the same fashion on a year-to-year basis.

Finally, characteristics of the data sets used, particularly the Freedom House data, position the time frame of this study between 1972 and 2005.

V. Method

The data set used consists of economic and human rights statistics for each country over time. Regressions were run using linear regression analysis with panel data. Additionally, the regressions are run to include fixed effects in order to account for country-specific variance. Two sets of regressions were run to test the aforementioned hypotheses.

The first set of regressions measures the effect of human rights levels on trade openness. Trade openness is set up as the dependent variable. A one-year lag of trade openness is created to account for auto-correlation effects. Seven-year lags of political rights and civil liberties serve separately as independent variables in each of the regressions. These lengthy time-lags in the human rights statistics attempt to describe the causal nature of the relationship. Increasingly long lags help to add legitimacy to the nature of the causal relationship as endogeneity is accounted for and auto-correlative effects diminish. In other words, it is difficult to claim that current trade affected human rights seven years ago. The length of seven years was decided upon because it seemed to sufficiently account for these potential limitations while reducing the data by as little as possible. WTO membership, GDP, and GDP per capita were included as economic environmental controls to account for any confounding variable biases. Additionally, rather than using raw values, the logged values of all economic and trade data were used to correct biases created by outlying data and because it captures decreasing marginal effects of the relevant variable. Furthermore, the regressions were re-run omitting OECD countries from the data set. This was to control for any selection bias created from including established democratic regimes.

In similar fashion, the second set of regressions measures the converse effect of

trade openness on levels of human rights. The first of these sets political rights as the dependent variable, while the second sets civil liberties as the dependent variable. One year lags of political rights and civil liberties, respectively, are used to account for the auto-correlation problems described earlier. Accordingly, a seven year lag of trade openness is used for the same reasons as previously mentioned. Identical control variables to the first set of regressions as well as logged values are again used. Finally, as in the first set of regressions, the regressions are re-run, omitting OECD countries from the data set as to maintain consistency.

VI. Results

Due to the nature of the variables, I believe that it is most useful to look at overall trends and significance within the data rather than the size of coefficients. The human rights data, especially, is fairly subjective as to the distribution and weighting of measurements. For example, the amount of freedom between a value of 2 and a value of 3 is not necessarily the same as the amount of freedom between 3 and 4, or a value of 4 is not necessarily twice as ‘unfree’ as a value of 2. Also, when reviewing the results, it is necessary to remember that the scales on which political rights and civil liberties are based are inversely related to the amount of political rights or civil liberties within a given nation (i.e. 1 is the highest level of political rights/civil liberties, 7 is the lowest level).

Looking at the first set of regressions, both political rights and civil liberties values are negatively correlated with trade openness. Countries with high levels of political rights and civil liberties tended to become more open to trade. When including the entire set of countries, both values were significant at 1%, yet when omitting OECD countries, the significance of the coefficient of civil rights drops to 10%. This is to be expected, as established democracies tend to display both high levels of political rights and civil liberties as well as high levels of trade liberalization, skewing results.

Membership within the WTO shows insignificant results when the entire data set is used. Omitting OECD countries reveals a positive correlation to trade openness at a significance of 10%. Being an organization that promotes multilateral trade, the result that WTO membership is correlated with higher levels of trade openness is expected, especially when leaving out developed countries.

GDP displays a strong positive correlation to trade openness. The nature of this correlation, though, is inconclusive. As previously stated, the GDP variable was included as a control on the human rights data. The relationship between GDP and trade liberalization may very well act in both directions producing endogenous results. GDP per capita, though, did not exhibit any correlation with trade openness.

Examining the results regarding trade liberalization’s effects upon human rights, it is seen that trade openness displayed no significant relationship with either political rights or civil liberties. The data shows WTO membership exhibiting a positive correlation significant at 10% within the complete data set. Omitting OECD member states, though, reduces the significance of these results. GDP shows a negative correlation with political rights values significant at 1%. GDP per capita, though, shows a positive correlation with political rights values significant at 10%. This suggests that there is a link between high levels of GDP and high levels of political rights. Interestingly, though, the results also suggest that

higher GDP per capita levels correlate with lower levels of civil liberties.

Similarly, WTO membership did not show any significant correlation with civil liberties. Both GDP and GDP per capita produced results significant at 1%, although once again in opposite directions. GDP displayed a negative correlation with civil liberties values while GDP per capita displayed a positive correlation. This is consistent with the results previously described relating to political rights.

VII. Conclusions

The statistical analysis carried out within this study suggests that there is a significant positive effect on trade liberalization within countries that exhibit high levels of human rights. The study implies that a high regard for human rights is associated with systems that tend to be more open to trade.

These results were consistent with the existing literature. Rosendorff's conclusion in respect to greater tendencies of unilateral trade openness among democracies was confirmed.

Dai's conclusions regarding the increased trade interdependence between pairs of democracies are supported and could be an explaining factor in the results. Additionally, Gartzke's assertions of a capitalist peace point towards an environment of increased economic cooperation and interdependence among democracies. This relationship can be observed in the results of the study as democracies, which fundamentally promote human rights, tend to enter into deeper economic relations with other countries and thus display higher levels of trade integration. Finally, globalization supporters may be encouraged by the observed effects that WTO membership does appear to increase economic integration among non-OECD countries.

Additionally, and perhaps more pertinent to popular debate, the study showed no observable effect upon human rights through the increased liberalization of trade. Theory supporting overall welfare gains through free trade ultimately improving human rights conditions is not supported. Nor is theory that proposes that free trade creates an uneven welfare distribution that ultimately strips human rights from losers of globalization. However, I have no doubt that this result will have little effect in quelling the human rights focus of the globalization debate.

Referring back to China's WTO accession and PNTR status, the results find propositions that China's economic integration would lead to democratic reforms to be confounded. Current conditions support this point as China has notoriously used its place as a permanent member of the United Nations Security Council to dilute resolutions aimed at pressuring the Sudanese government to stop the ethnic killing in Darfur. Human Rights Watch (2006) claims that China's policies in Africa have not only played a negative role in developing democracy in Africa, but have propped up some of the continent's worst human-rights abusers. United States policy makers and globalization advocates have argued that as China's economy grows, its population will inevitably press for more democratic freedoms, forcing its ruling elite to grant them. Nonetheless, the evidence shows otherwise. Any sign of substantial political reform, or that the absence of such reform is hurting China's economic growth, is

simply hard to find (Elliot 2007). As was previously stated, economic liberalization should not be confused for a desire for democracy.

VIII. Cautions and Further Areas for Study

The focus of this study was to develop a further understanding of the relationship between trade liberalization and human rights. Although actions taken in result of policy issues have been discussed, the discussion has been limited to actions that are specifically related to the theme of the study. The political debates (China's WTO accession, PNTR status, globalization, etc.) are infinitely more complex than stated here and decisions made regarding these debates concern innumerable facets other than their impact on human rights. The purpose of this paper was not intended to pass judgment on these topics but merely to shed light on the trade and human rights issues within them.

Furthermore, the issue of whether or not human rights concerns should be linked with trade policy is also not addressed. The Clinton administration dissolved this link in United States-China trade policy in 1994. There are growing pressures on the WTO to include formal human rights standards within its policies. This study merely describes overall effects, or the lack thereof, of economic openness in correlation with the observance of human rights. The success of sanctions or some type of reward system to promote human rights within other countries is not reflected here and remains for further study.

Lastly, the results reflected in this study describe the overall global trend in light of increased economic integration. The effects regarding theoretical pressures driving human rights in relation to globalization remain to be seen. The theories poised by pro- and anti-globalization advocates may both act in counterbalance, rather than not at all. More specific analysis is required to examine if, when, where, and how these actions are taking place.

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DEMOCRACY AND EDUCATIONAL ATTAINMENT

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This study questions whether the level of democratization has any effect on the educational attainment of the population as a whole, of different segments of the population based on gender, or in gender-specific categories of any level of education (primary, secondary, and tertiary). Additionally, the inclusion of interaction terms—involving democracy, birthrates, and female labor force participation—will allow the proposed model to test if the institutional effects on education are conditional on the level of female labor participation or birthrates.

I. Introduction

Higher levels of education are crucial for developing nations to keep up and compete with the world's stronger economies in a world increasingly dependent on high technology and efficiency. The United Nations heavily weighs measures of literacy and school enrollment in the recently created Human Development Index, the measuring-stick of a nation's average achievements in health, education, and standard of living/income. Furthermore, the achievement of universal primary education by the year 2015 is listed as the third target of the 18 Millennium Development Goals developed in 2000 (HDI Report 2005).

Most economists consider education an investment, returning significant individual benefits and positive social externalities. A strong consensus exists that the attainment of higher education results in—or at least correlates with—higher incomes, smarter choices about healthcare, stronger political institutions, and greater overall human development.

The question then moves beyond the importance of education to how societies can best provide a level of education that will meet the grand goals listed above. What macro-level political conditions best nurture the growth of citizens' educational attainment in a nation? An extensive literature exists in both economic and political scholarly circles regarding the role that democracy and its related institutions play in economic growth and development. Far fewer studies focus on the determinants of education. This paper will assess the role that regime type has on the educational attainment of different segments of society. The research will further test the assertions of previous scholars who have concluded that democratic regimes tend to provide better public goods by assessing if populations living in such regimes have indeed improved their educational attainment relative to their non-democratic counterparts.

The analysis will incorporate data from 138 countries. By combining two data sets generated by Robert Barro and J.W. Lee and Bruce Bueno de Mesquita et al., this model will test whether democratic institutions play a significant role in the growth of educational attainment through two causal mechanisms, one on the national level and the second on an individual level.

First, the competitive electoral system of democratic nations tends to increase provision of public good from the government. Representatives fighting to stay in office must offer incentives to voters for their continued support in the polls. The provision of public good—in this case, increased educational spending—can act as such an incentive. Bueno de Mesquita et al.'s (1999) 'winning coalition' theory conveniently describes the situation: to gain positions of power in a democracy requires the support of a certain proportion of the 'selectorate' known as the winning coalition, or the minimum amount of support a ruling party needs to maintain power. Since potential candidates need to control the winning coalition with incentives and tangible benefits, we can expect to see greater levels of educational attainment in countries with larger winning coalitions.

Second, the mechanism of increased social choice afforded to women under democratic culture and institutions may have a positive effect on the educational attainment of the total population through decreasing birth rates and increasing female participation in the labor force. Democratic regimes often promote liberal values such as social freedom and decreased gender discrimination that allow for smaller families and increased proportions of women in the labor force. As elaborated later, decreased birth rates also allow smaller families to increase investment in fewer children. Higher female labor force participation should provide greater incentive for females to attend school and consequently acquire skills they may have otherwise not learned in order to gain access to jobs with greater pay and prestige. This effect should trickle down to children and subsequent generations, creating sustained educational attainment growth over time.

The positive effects of democracy as described in the first mechanism may actually be conditional upon the level of the second mechanism. Lowered birthrates and increased female labor force participation may both enhance the positive effect of democratic institutions on education, but on the other hand, high birthrates or low labor participation may go as far as completely negating the positive gains in education created by democracy.

II. Description of Data

This paper uses Robert J. Barro's and Jong Wha Lee's 2001 data set compiling information on educational attainment at five-year intervals for 142 countries (including historic nations such as East and West Germany, USSR, etc.) from 1950 to 2000. The set has at least one observation from 1960-2000 for all 142 nations and complete data for that same time period for 107 nations. Furthermore, as updates to their original data set created in 1993, the latest edition now includes educational data in four groups: total population over 25, total population over 15, female population over 25, and female population over 15.

The educational dependent variable takes on multiple forms. When focusing on years of schooling, the value of the observation is average years of schooling for a particular level of schooling (primary, secondary, or higher) completed by a particular gender segment of society. Also available in the data set is percentages of the population having reached certain levels of education as well as percentages for those who have completed one of the three levels of education. Like the 'years completed' data, these percentages are also separated into total population and gender distinctions.

Barro and Lee's data set is unique in that it attempts to define educational attainment more thoroughly than by simply using literacy rates or gross school enrollment—in their own words, those measures "do not adequately measure the aggregate stock of human capital available contemporaneously as an input to production" (Barro and Lee 2001). Indeed, the basic achievement of literacy is a noteworthy achievement on its own, but in terms of human capital accumulation it is only the first step towards greater levels of social capability and comprehension of concepts such as rule of law, government institutions, and complex economic transactions—interestingly enough, all hallmarks of classic democracies.

W , the winning coalition, and S , the selectorate, are the independent variables used as proxies for the level of democracy. As previously mentioned, S is the total amount of individuals in a nation that have some say over who is the ruling party of the government, while W is the subset of S whose support is necessary and sufficient for an aspiring ruler in order to gain and maintain political control in a state. Both W and S are measured on a non-continuous scale that takes only five values: 0, 0.25, 0.5, 0.75, and 1.

Another factor in the model worth mentioning is the logic behind using W and S over Polity. In this research I will utilize the Winning Coalition theory as the primary measure of democracy in my statistical model in order to greater emphasize the public good provision aspect of the argument that the Winning Coalition theory so aptly models. The Winning Coalition relies more on incentives to maintaining office through competition and providing services to a group of people. Polity measures different aspects of democracy more related to institutional structural features (which include elections and remain important), and seems slightly less applicable to this study. However, Polity scores will be retained in order to check the robustness and accuracy of the preliminary findings in a secondary regression. Considering the correlation between the two measures, one would expect the results to be largely similar, but because of the different components of measurement, there is always the possibility of divergence.

This study faces some alternative explanations that must be controlled for in order to produce significant results. Geographical issues can create significant problems for governments trying to provide public services to their populations and for individuals attempting to live in harsh climate or terrain conditions not conducive to agriculture, hunting, and/or industrial development. In order to control for the potential effects of geography, this study will include geographical controls. Region dummy variables are self-named within one of six categories: Africa, North America, South America, Europe, Asia, and Oceania (including Australia). If a nation is included in a specific region, it retains a value of 1, otherwise it is zero. The baseline variable is Africa (no dummy variable exists for that region). When discussing the results, the statistical significance of these variables will indicate whether or not simply being in one location over any other has any effect on the relationship between educational attainment and political institutions.

Barro and McCleary (2003) find that their measures of religiosity positively affect educational attainment. Comparison using their religion instrumental variables (presence of a state religion, religious pluralism, church attendance, religious regulation) leads them to the conclusion that simply believing in religion rather than actually practicing it leads to educational attainment growth and overall economic improvement. Religion may play an even more critical role in the social attainment of females, and that is why I am choosing to include it as a control variable. A more fundamentalist regime, such as a conservative Islamic regime, may effectively reduce female autonomy. Furthermore, predominantly Catholic populations may exert anti-birth control and anti-abortion pressure, potentially forcing women to have larger families and—for reasons already stated—can negatively affecting educational attainment.

The variables *cath* (Catholic) and *mosl* (Islamic) are religion dummies that serve to model any possible effect that the prevailing religion of a nation may have on educational attainment. Using religious affiliation of the population data from the B&M data set, each dummy variable has two possible values—0 and 1. A country with a value of 1 is one where more than 50% of the population identifies as that variable's religion, and a country marked as 0 is one in which the variable's religion is not the majority religion. While this variable seems simple enough, two critical assumptions were made—first that a country that identified as one of the two religions in *any* one of the years included in the data set (1960-1999 in five year increments) identified as that religion for the *entire* time period. Secondly, some countries completely lacked religion identification. For those nations, I took current data from the CIA World Factbook and again retroactively applied the dummy variable. Under the broad parameters of the variables, I determined that countries have not undergone significant enough religious transitions over the time period under study that would change the value of this particular religion dummy.

Income is included as a baseline comparison of what inherent social, political, and economic capabilities an individual already possesses. The income indicator is crucial to understanding individual-level decisions about how one values the goods offered by public officials as bargaining chips for votes and how much one can afford towards investing in an education as opposed to entering the workforce as an unskilled worker.

Birthrate simply denotes the number of births per one thousand individuals in a nation. *Femalelabor* is the recorded percentage of the female population actively employed

in the national labor force. *WB_gdppc_constUS95* represents average income in a nation in thousands of U.S. dollars indexed into constant 1995 U.S. dollar values.

III. Hypotheses

Through analysis of the relevant variables with panel data, I believe that the existence of a democratic regime willing, or forced to by political design, to provide public goods and services significantly improves educational attainment of the total population when compared to non-democratic regimes. If a country goes through a transition towards democracy over time, as evidenced by its Winning Coalition score, one can expect an increase in educational attainment as *W* increases.

Hypothesis 1: Democratic regime types, as measured by Winning Coalition scores, will promote higher rates of educational attainment, as measured by years completed in school, because of electoral competition that increases the amount of public spending in order to maintain winning coalition support as described by the Selectorate Theory.

Hypothesis 2: Birthrates and female labor force participation do not work *through* democratic institutions, but rather *independently* of democracy. Generally, as birth rates decline and female labor force participation increases, I expect overall educational attainment to increase. However, these variables' prevalence may condition the positive effects that democratic institutions, as modeled by *W* and *S*, have on education. For example, if birthrates increase and female labor decreases, then the positive effects of democracy on education will diminish, and vice-versa.

IV. Research Design

The following equation describes the general model this paper proposes. Regions are coded as dummies instead of as a categorical variable, religion is coded as two separate variables and includes both Catholicism and Islam, and birthrate and female labor force measures, as well as interaction terms with democracy (*W*), are included simultaneously. The advantage of making regional dummies is that there is no inherent valuation of regions, where certain regions are arbitrarily or perhaps mistakenly assigned an ordinal worth. The same logic holds true when separating religion into separate dummies as opposed to a categorical variable.

The following equation demonstrates the relationship between the different factors:

$$\begin{aligned} \text{Educational attainment} = & \alpha + \beta_1 W + \beta_2 S + \beta_3 \text{Birthrate} + \beta_4 \text{femalelabor} \\ & + \beta_5 (W * \text{Birthrate}) + \beta_6 (W * \text{femalelabor}) + \beta_7 \text{cath} + \beta_8 \text{mosl} + \beta_9 \text{WB_} \\ & \text{gdppc_constUS95} + \beta_{10} \text{Europe} + \beta_{11} \text{Asia} + \beta_{12} \text{NAmerica} + \beta_{13} \text{SAmerica} + \\ & \beta_{14} \text{Oceania} + \text{error} \end{aligned}$$

The following is a summary of all key variables included in the study:

Variable	Observations	Mean	Std. Dev.	Min	Max
Independent					
W (Winning Coalition)	1206	0.5874793	0.3064262	0	1
S (Selectorate)	1100	0.8490909	0.3484648	0	1
Birthrate	1167	33.3361	13.11396	9.1	56.56
Femalelabor	623	37.98716	8.85593	8	54
Birthrated~c	1167	17.14289	9.383021	0	50.8
Flabordemoc	623	22.99839	13.43882	0	48
Controls					
Cath	1203	0.3059019	0.46098	0	1
Mosl	1203	0.2161264	0.4117726	0	1
WB_gdppcc_~95	1016	5578.488	8670.379	0	52675.27
Europe	1242	0.173913	0.3791874	0	1
Asia	1242	0.2028986	0.4023196	0	1
NAmerica	1242	0.1376812	0.3447038	0	1
SAmerica	1242	0.0869565	0.2818848	0	1
Oceania	1242	0.057971	0.2337828	0	1
Africa	1242	0.3405797	0.4740951	0	1
Dependent					
Total_Primary	937	3.342367	1.767349	0.057	7.704
Female_Primary	831	3.084296	1.898838	0.008	7.625
Male_Primary	937	3.605955	1.674176	0.128	7.789
Total_Secondary	951	1.278589	1.153177	0.001	5.742
Female_Secondary	951	1.142445	1.136386	0	5.8
Male_Secondary	951	1.416679	1.197543	0	5.679
Total_Higher	962	0.1610343	0.2029002	0	1.451
Female_Higher	962	0.129237	0.1853733	0	1.372
Male_Higher	962	0.1933815	0.2276608	0	1.554
Total_Total	937	4.803414	2.845826	0.086	12.049
Female_Total	937	4.370388	2.965069	0.008	12.024
Male_Total	937	5.239919	2.784748	0.199	12.152

The dependent variable of educational attainment will be measured by twelve separate education variables, each receiving its own regression analysis. The following is a list and description of each of the twelve variables:

Dependent Variables Included in Model:

Total_Primary	Average years of primary schooling, total population
Female_Primary	Average years of primary schooling, female population
Male_Primary	Average years of primary schooling, male population
Total_Secondary	Average years of secondary schooling, total population
Female_Secondary	Average years of secondary schooling, female population
Male_Secondary	Average years of secondary schooling, male population
Total_Higher	Average years of higher schooling, total population
Female_Higher	Average years of higher schooling, female population
Male_Higher	Average years of higher schooling, male population
Total_Total	Average years of total schooling, total population
Female_Total	Average years of total schooling, female population
Male_Total	Average years of total schooling, male population

Independent variables [$W * femalelabor$] and [$W * Birthrate$] are the interaction terms described in the introduction and hypotheses. By including these variables, I seek to model and predict potential effects of how birthrate and female labor force participation can change the impact that the level of democracy has on educational outcomes.

This model will be used differently in two separate exercises. First, the model will be run with just the *Birthrate* controls (from here known as Model 1), and then again with both the *Birthrate* and *Female Labor* controls (from here known as Model 2). This is due to the reduced number of observations of the *Femalelabor* variable relative to *Birthrate*. Acquired from the World Bank Development Indicators, the *Femalelabor* data only contains information from 1980 and thereafter. The lack of pre-1980 data cuts N from a range of 784-800 in Model 1 to only a range of 426-430 observations in Model 2. The reduced N makes for a higher chance of potential errors and less adherence to a normal distribution of observations. Furthermore, the use of the two models will allow for the research to separate the effects of birthrate and female labor participation. By adding *Femalelabor* and *Flabordemoc* in the second model, we can ascertain whether or not those variables add any overall significance to the original model for the time period after 1980 and are worth retaining.

V. Results and Discussion

The findings of this study aimed to contribute to previous work by using years of schooling as the new dependent variable by which to test educational attainment. While public good provision is sufficiently modeled by the Winning Coalition and Selectorate measures, these tests should also bring in elements of educational quality and actual acquisition of knowledge that past studies have not incorporated. The inclusion of female social choice improvement as variables interacting with democracy was meant to shed some light on the 'inherent' liberalism of democracy.

However, the data shows that the hypothesis regarding increased labor force participation for women in democratic societies had no significant effect on educational attainment at any level of schooling or for either gender. This could be for various reasons. The original line of thought predicted that as female labor force participation rates increased, women would be seeking increasingly higher skilled jobs and also competing with each other to obtain employment typically filled by women. Either way, as competition increases, education can become a crucial factor from the employer's perspective. An employer would rationally prefer an individual with higher education over someone else if all other skills were equal (although costs and wage can also be a factor in the decision). Labor force participation rates do not indicate what types of employment women seek. In many developing nations women could be forced to work in order to sustain the family, thus increasing participation but not improving the incentive to seek further education. They may end up actually sacrificing more time working, costing individuals the opportunity to pursue higher levels of education. Perennially stuck in low skill jobs, women would have no incentive to face the opportunity cost of attending school when that potential income is necessary to sustain the family or if the education will not lead to more lucrative employment.

The most interesting conclusion drawn from the data analysis is that birthrates can have significantly deflationary consequences on the positive effect that an increasing Winning Coalition has on educational attainment. Except for primary schooling, W offers a significant and substantial increase in the total amount of schooling that an individual completes. W may not hold significance for primary years because most countries, regardless of the style of their institutions, offer basic education in order to either provide a basic level of knowledge and skills or to retain a semblance of goodwill towards the non-winning coalition segment of the population. In all other levels of schooling and for total average years, W has a positive effect. However, looking at the interaction term $Birthrate*W$ reveals a highly significant negative coefficient on all levels of schooling except primary. This indicates that the positive effect of W on education can be seriously deflated or even cancelled by a high birthrate.

Income and *Birthrate* both played their roles as expected in the data analysis. *Birthrate* was negative and significant in 21 out of 24 regressions, while *income* was positive and significant in 18 out of 24 regressions (the insignificant regressions were all on the primary level of schooling). Many scholars have demonstrated the positive relationship between income and higher developmental outcomes. Lower birthrates are also associated with higher levels of development. The results in the data support those previous findings.

The Polity robustness check yielded expected results. The democracy measure is

just as significant and positive as W in the original model. The $Birthrate*Polity$ interaction term matches the $Birthrate*W$ interaction term in the original model almost exactly in effect and significance. Thus the assertion made earlier that W would *better* model educational attainment vis-à-vis other democratic measures is inflated. Another finding is that gender did not emerge as a sharp dividing factor in educational attainment. While total average educational attainment for women tends to be lower than men, the effects of W are on average only marginally larger for women when compared to men. When religion is significant, it is significant for both genders and displays little variation across males and females.

One potential control variable omitted from the analysis is a disease and healthcare availability proxy. Due to the time-series nature of the data, reliable and consistent data over the course of the intended era of analysis could not be collected. Availability of healthcare and prevalence of certain diseases can significantly affect individual level decisions about childrearing and subsequent investment in education. Individuals may not be able to afford the time commitment and opportunity cost that inevitably comes with attending school. Adequately controlling for disease could significantly add to the results of this study. Disease is also clearly linked with birthrates. High infant mortality due to prevalence of disease or inadequate availability of healthcare facilities can lead to heightened birthrates and the other types of problems that arise in discussion of individual family investments in children and education. Adding health data can help elucidate the relationship between birthrate and democracy. An interaction variable between health and democracy could also reveal more information about how different features of democracies improve well-being.

One issue that could undermine the results is selection bias. Inevitably, many countries, particularly those at lower stages of development, are missing educational data for certain years. The countries that keep more complete records may be those that have stronger institutions, more capital invested in government agencies, or more reliable methods of collecting data from diverse groups. On the other hand, governments may have some incentives to lie as well—underreporting education scores could potentially attract some foreign aid aimed at improving schools. Those funds could then be diverted to corrupt government practices but never discovered as the deceptive reporting of education results would display an apparent improvement. The overall point is that countries that perform better may simply have better data to analyze, and that is something that any analyst should keep in mind when looking at data.

Another issue that needs to be rectified in future studies is the nature of the panel set data. While the data did contain information over time, the fact that there are a maximum of nine observations for each country made for difficulty in choosing a statistical method that would account for the most potential errors. While finally settling on the *xtreg* command, a more preferred option would have been *xtpsc* (time series panel corrected standard error) regression. The lack of yearly time data, however, precluded the use of that more error-inclusive method. Even when using the *xtreg* command, time became an issue again. *Xtreg* typically creates two error terms, one accounting for unit (time) errors and the other for individual observations (within countries).

Admittedly, in an ideal world educational attainment should also include some sort of quality measure. As already discussed, literacy alone is not in itself a great mea-

sure. Quantifying ‘attainment’ as years of school completed is a mediocre proxy at best, considering that the quality of education varies considerably across nations, states, cities, neighborhoods, and school districts. The primary issue with including quality measures in this attainment dataset is the lack of data available. Student/teacher ratios, average teacher salary, average number of teachers per school, and any other potential quality measure of education are all generally limited in complete availability to OECD nations. Hanushek and Kimko (2000) find that schooling quality often outweighs government spending and other macro-level variables when measuring educational attainment using data from international standardized testing results. ‘Standardization’ itself is easier said than done, and the least developed nations do not have the capabilities to administer such exams, again bringing selection bias into the mix. Economists traditionally model education achievement functions through inclusion of inputs such as home environment, local peer groups, amount and quality of teachers, and class size when trying to determine which inputs are most productive in increasing test scores (O’Sullivan 2007). This is a field that requires more attention and research.¹ Compiling such information reliably in many African nations or other developing nations would prove a daunting task for any researcher, particularly if the goals included retrospective data collection. The measures that currently exist are those that can be used in empirical research, and—despite its limitations—years of school completed is a more acceptable choice for proxying education quality than literacy or enrollment rates.

More research on individual level choices of the family in terms of investment in human capital such as education, while difficult to conduct, would be of utmost use in understanding how government provision of public goods translates to the individual. A possible avenue of research could be the advent of microfinance and its effects on individual decision making. A great majority of microfinance is aimed at funding women with savings accounts and lines of credit, which can help families avoid having larger families to help sustain income and even possibly invest in small business. These developments lead to the increased investment in fewer children as mentioned before in Przeworski’s work. Evidence also exists that microfinance is more readily available in democratic regimes—however, since microfinance is largely a 21st century initiative, appropriate data doesn’t exist to adequately determine its effects on human capital and educational attainment. Along the same lines, another interesting perspective could be the role of foreign aid and NGOs and what effect, if any, their influence has on government decisions to increase public spending. As mentioned earlier, quality of education is extremely difficult to attain—as more data becomes available about teachers and local school district information, effective measures of educational quality could significantly change the results of institutional effectiveness in changing overall educational attainment of a population.

Overall, the hypotheses originally developed for the model are only partially confirmed. The Winning Coalition has a positive and significant effect on educational attainment for both men and women at all levels of education except primary. Birthrate plays a

¹ For more thorough discussion of the ‘quality of education’ literature, see Hanushek and Kimko, *Schooling, Labor Force Quality, and the Growth of Nations* (2002) and Hanushek and Luque, *Efficiency and Equity in Schools Around the World* NBER Working Paper 8949 (2002).

crucial role, as its interaction with *W* shows that the positive effects of democratization can be nullified if birthrates remain high. Female labor force participation is insignificant at all levels of education and for both genders. The relationship, if any exists, between education and labor force participation remains unclear.

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THE EFFECT OF RELIGIOSITY ON INCOME INEQUALITY

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Many studies have investigated the influence of religion on general economic attitudes. This paper aims to go beyond those studies by considering a very specific indicator of the fairness of an economy: income inequality. The conjecture is that populations with higher levels of religious mobilization will have correspondingly high levels of income inequality, due to the tendency of believers to look to religion as an explanation for all phenomena that are not easily understood.

I. Introduction

Religion plays a role that varies greatly across populations, countries, and sects. Yet all religions share a crucial quality that has allowed them to persist throughout history and garner a following of millions of believers. Religious dogma has the ability to explain that which is not easily understood through a belief system backed by little to no rational or evidentiary support. Moreover, this attribute unique to religion serves not only to explain but to justify situations. As a result, believers use 'God's will' as a legitimate explanation for irrational situations. Embedded within this explanation also lies justification—the volition of god is believed to be inherently 'right.' Consequently, religion permits many adherents to accept situations purely because 'things are as they should be.' This becomes especially significant when those situations are determined to be unjust or undesirable.

Hume and Freud are just two among many scholars who believe religion serves as a "mechanism for people to ward off forces that they could not rationally explain."¹ This paper aims to investigate the influence of religion as a coping mechanism for populations plagued by economic instability and severe wealth inequalities. It is very possible that high

levels of (1) religious mobilization and (2) significance of god permits members of these populations to accept their economic instability and refrain from questioning the fairness of market economics or governmental policies. This can be true at both ends of the spectrum – those who benefit from the inequality as well as those who are impoverished by it. To fully comprehend how a relationship can exist between the two seemingly unrelated variables of religiosity and income inequality, a thorough discussion of the potential causal mechanism behind this predicted relationship is needed.

II. Theory

Religion as an Opiate

There are numerous ways in which religion permits believers to be far more accepting of a life of perpetual economic hardship. Most effective is its ameliorative quality—when faced with suffering, people have the choice either to remove the conditions causing the suffering or to change their perception of it.² Religion gives the opportunity to choose the latter option, which may be preferable for a number of reasons. Marx's famous and widely misconstrued statement equating religion to the “opium of the people” was a metaphorical way of describing how the promise of rewards in the afterlife numbs the less fortunate to the reality of their existence.³ In this way, religion can sometimes function as a force which preserves the status quo by reducing or eliminating incentive to embark upon the great challenge of improving the present conditions of society. Belief in god may produce unwillingness in people to assume the responsibility of evaluating, questioning, and improving upon the shortcomings of their state.

Why Income Inequality?

Out of the many possible indicators of economic fairness, income disparity is the most useful for this study because the data is reliable and in a form well suited for an OLS regression. However, its utility does not end at the empirical level. According to Jim Cornehls, the U.S. is one of many countries in which law and social privilege allow those who own and control productive assets to receive a disproportionate share of society's income and wealth. As proof, he offers the following telling statistic: decades ago, corporate CEOs in the U.S. received an income 40 to 60 times that of an assembly line worker. It is debatable whether or not they were 40 to 60 times more productive than the average line worker. Today, these CEOs receive compensation 400 to 600 times that of an assembly line worker, making it much more difficult to argue that compensation is a function of productivity. If CEOs are in fact ten times more productive than they were 20 to 30 years ago, this would imply a 17% annual growth rate in CEO productivity. The actual rate averaged only slightly more than 1%.

The purpose of this digression from the religion discussion is to reiterate that income disparity is in fact an accurate measure of the “fairness” of the economy. High levels of inequality are an indication that income is not proportional to productivity. Therefore, it can be argued that in order for high levels of income disparity to exist, the members of that economy must allow serious shortcomings to go unaddressed, and religion may be a reason for their lack of action.

Superstition over Reason

Although the empirical aspect of this paper utilizes the specific variable of income inequality, the theory considers the effect of religiosity on the general economic health of a country and, more broadly speaking, on the level of advancement of that country. Ingersoll was steadfast in his conviction that the superstitious element of religion acted as a huge impediment for the advancement of societies because of its powerful ability to compel people to rely on irrational, as opposed to rational, methods. Religion prescribes rites and rituals that are not based on reason but instead are based on superstition. Yet, devout followers utilize religion as a means to resolve conflicts and to improve their lives. “The energies of man are wasted in a vain effort to secure the protection of the supernatural. Credulity, ceremony, worship, sacrifice, and prayer take the place of honest work, of investigation, of intellectual effort, of observation, of experience. Progress becomes impossible.” As evidence of the destructive power of this “monster [superstition],” he cites the downfalls of Italy, Spain, and Portugal; demises that resulted from their steadfast adherence to religion in a time when other countries began take a greater interest in science. While the influence of religion in today's world is certainly not as strong as it was then, these convictions may still be enough to inhibit overall economic progress.

Christian Guilt and Significance of Suffering

Specific teachings preached by Christianity may also explain the willingness of some to accept an unjustified economic situation. This religion asks its followers to strive to live by the standards to which Jesus Christ adhered. Nietzsche argued that this “perfect Unegoismus (unegoism)” is impossible for humans to achieve since selfishness is an unavoidable trait in humans.⁶

Due to the strict adherence to the standards of Jesus Christ, many Christians develop an inferiority complex that results from a failure to meet these standards. As a result, Christians have a skewed perception of the idea of “fairness”. This can also lead them to believe that their lower economic status is the consequence of personal deficiencies instead of the result of inherent flaws found within the system. In certain sects of Christianity, the concept of suffering due to personal guilt is a pervasive one.⁷ Mainstream Christianity takes a relatively moderate stance and instead asserts that suffering is a test of faith. What is consistent throughout is that all forms of Christianity contain a central idea which offers either justification or reward for suffering. The belief that suffering is either deserved or will be rewarded in the afterlife can be enough to reduce the incentive to question the root of economic suffering.

It's A Blessing to be Rich

Though religiosity certainly plays a role in determining the perspective of the economically underprivileged, the same dogma can be applied to the rich and wealthy. Certain principles in the aforementioned sects of Christianity offer loopholes that ameliorate feelings of either guilt or responsibility for economic privilege. For example, Calvinist dogma declares that god rewards good and punishes evil not just in the afterlife, but also in the present life.⁸ Though the complacency exhibited by those at the bottom of the income ladder can be attributed to their lack of economic influence to

rectify the system, the same excuse cannot be applied to those at the top of the income ladder. The wealthy not only control the means of production, but they are also more likely to be aware of the unjustness of the extreme income inequality. Yet religion allows the economically privileged to justify their position by attributing their fortune to the favor of the almighty.

The other inference taken from this principle is that poverty is god's punishment and cannot be rectified by income redistribution; rather, it is up for the poor to get themselves back into god's good graces. Daleiden provides an example of this thought process: "But as for substantive income redistribution, or even government aid to alleviate poverty, heaven forbid! It would undoubtedly be against God's plan."⁹ Viewed in this way, it is easy to see how belief in an all-powerful being with an indisputable "plan" can allow for all members of an economically unbalanced society to remain entrenched within an unjust system.

A Note on Causality

Throughout the discussion of the theoretical mechanism behind this paper, the causal relationship between the two variables was shown to work in either direction. Income inequality can slowly increase in a population characterized by pre-existing high levels of religious mobilization; in this case, religiosity is the driving force not because it causes the increased disparity but because religion prevents income inequality from being addressed. On the other hand, high levels of income inequality can cause members of that society to look to religion for comfort or for an excuse to accept the income gap.

Unfortunately, the empirical test in this paper does not resolve the issue of causality, but this should not detract from the significance of finding a significant correlation between the two variables. Once correlation has been established, further individualized studies can be carried out to determine the leading factor.

III. Research Design

The possible existence of a correlation between religiosity and income inequality will be determined using an OLS regression. The hypothesis stemming from my theory is as follows:

Hypothesis 1: Populations with higher levels of religiosity also have higher levels of income inequality.

Null Hypothesis: There is no relationship between religiosity and income inequality.

IV. Data Description

Independent Variable – Religiosity

The *World Values Survey* (WVS) is a leading global evaluation of socio-cultural, economic, and political conditions. The WVS Association has interviewed representative

samples from over 80 countries on all six continents, questioning the role of religion in the respondents' lives. Two of these questions provide the data needed to create a variable that measures the religiosity of a population. The question "How important is God in your life?" asks respondents to choose a value on a scale from 1 (not at all important) to 10 (very important). This question proves more useful than the more basic "Do you believe in God?" because it is not simply a belief in the existence of god that significantly affects how people perceive their life situations; instead, the measure of religiosity quantifies the intensity of that belief. The measure of religiosity is calculated as the average response for each country. The second question, "Are you a religious person?" has three possible responses: "A religious person," "Not a religious person," and "A convinced atheist." This variable is calculated as the percent of the total respondents that answered "A religious person."

Dependent Variable – Income Inequality

Deininger and Squire's *A New Data Set Measuring Income Inequality* (1996) improves upon existing data by supplementing the average Gini coefficient for each country with the ratio of the top quintile's share of income to the bottom quintile's share. The first set of models (1 through 5) will use average Gini as the dependent variable, and the second set (6 through 10) will use the ratio. The data set specifies the first and last years of observation and includes 54 countries that were also interviewed in at least one of the four waves of the WVS. The 40 countries that were interviewed within five years of the last year observation are used for this paper.

Confounding Variables

People's Opium? Religion and Economic Attitudes (Guiso et al 2003) also measures the impact of religion on economic attitudes, providing a useful guide to those factors that need to be taken into consideration as confounding variables. Fortunately, the WVS provides the data needed to construct these variables.

Education is given as the age in years at which the respondent completed his/her highest level of education. The amount of education received certainly has an influence on religious beliefs and the intensity of those beliefs as well as the perception of economy and government. Age also has an influence on these factors, with older people tending to be more religious and trusting of the government.

The region of Eastern Europe is of particular interest because of the influence Communism has asserted over the topics this paper specifically investigates: religion and income disparity. Region will be controlled for using a dummy variable, 1 for Eastern Europe and 0 for all other countries, to determine if the conditions unique to the region have some effect on the overall correlation.

Likewise, advanced economies must be controlled for because attributes specific to strong economies can influence both income inequality and religious adherence. To account for this influence, highest gross national income per capita (top ten as identified by the World Bank), advanced economies (identified by the IMF), and the OECD will all be controlled for separately as dummy variables, 1 if the country is a member of that group and 0 if it is not.

*Estimated Equation – OLS Regression***Model 1**

$$\text{Ave Gini} = \alpha + \beta_1 \text{God} + \beta_2 \text{Religious} + \beta_3 \text{Age} + \beta_4 \text{Education} + \beta_5 \text{GDP}$$

Models 2 through 5 will follow the same equation as Model 1 with the additional controls of Eastern Europe (Model 2), high income (Model 3), advanced economy (Model 4), and OECD member (Model 5).

Model 6

$$\text{Ratio} = \alpha + \beta_1 \text{God} + \beta_2 \text{Religious} + \beta_3 \text{Age} + \beta_4 \text{Education} + \beta_5 \text{GDP}$$

Models 7 through 10 will follow the same equation as Model 6 with the additional controls of Eastern Europe (Model 7), high income (Model 8), advanced economy (Model 9), and OECD member (Model 10).

Table 1: Descriptive Statistics

Variable	Definition	Obs.	Mean	Std. Dev.	Min.	Max.
Ave Gini	Coefficient, Deininger and Squire 1996	49	35.77	9.32	20.5	62.3
Ratio	Ratio of top quintile's share of income to bottom quintile's share	48	8.02	6.12	2.76	32.11
God	How important is God on 1-10 scale; average response	48	6.87	2.16	3.54	9.97
Religious	Are you a religious person; % that answered yes	48	64.86	19.65	21.3	98.4
Age 50	% respondents age 50+ years	49	29.45	10.11	2.6	43.1
Education	Age at which highest education level completed	43	17.37	1.51	12.4	20.7
GDP	Change in GDP for relevant year	47	0.84	5.06	-14.6	8.6
Eastern Europe	Country is in Eastern Europe; 1 if yes, 0 if not	49	0.27	0.45	0	1
High Income	World Bank's 10 countries w/ highest gross national income per capita; 1 if yes, 0 if no	49	0.16	0.37	0	1
IMF Advanced	IMF's list of advanced economies; 1 if yes, 0 if no	49	0.37	0.49	0	1
OECD	OECD member; 1 if yes, 0 if no	49	0.45	0.50	0	1

Table 2: Effect of Religiosity on Average Gini

Dependent: Average Gini	Model 1	Model 2	Model 3	Model 4	Model 5
God	3.29 (1.33)**	3.56 (1.22)***	3.29 (1.35)**	3.41 (1.47)**	3.45 (1.42)**
Religious	-0.17 (0.13)	-0.21 (0.12)*	-0.17 (0.13)	-0.17 (0.13)	-0.17 (0.13)
Age 50+	-0.18 (0.16)	-0.12 (0.14)	-0.17 (0.16)	-0.19 (0.17)	-0.199 (0.17)
Education	-1.46 (0.79)	-1.45 (0.72)*	-1.4 (0.81)*	-1.47 (0.81)*	-1.40 (0.81)*
GDP	0.33 (0.27)	-0.37 (0.35)	0.35 (0.28)	0.29 (0.34)	0.29 (0.29)
Eastern Europe		-12.75 (4.58)***			
High Income			-0.60 (3.32)		
IMF Advanced				0.82 (3.77)	
OECD					1.29 (3.37)
Constant	55.31 (17.95)***	56.67 (16.41)***	55.16 (18.23)***	55.07 (18.25)***	53.37 (18.88)***
No. of Obs.	40	40	40	40	40

Note: * p < 0.10, ** p < 0.05, *** p < 0.01

I ran five regression models to measure the effect of religiosity on the average Gini. Model (1) measures the effect while controlling for age, education, and GDP. Models (2) through (5) do the same with the additional controls formed as the previously mentioned dummy variables. In all five models, the resulting effect of the 'importance of god' variable on the average Gini coefficient is in accordance with Hypothesis 1. Model (1) shows that every one unit increase on the 1 to 10 scale measuring the importance of god corresponds with an increase of 3.29 percentage points for the average Gini coefficient. In other words, as god becomes more important to the population, the level of income disparity increases. The correlation remains positive at the 95% confidence level in all models except Model (2), which was run at the 99% confidence level. However, all results for the religious variable do not provide any support of Hypothesis 1 as they lack magnitude and statistical significance, and the effect is in the opposite direction of what was hypothesized.

Model (2) is noteworthy as the effect of controlling for the region of Eastern Europe produces a coefficient with a large magnitude at the 99% confidence level. The direction of this effect reveals that the level of income inequality decreases when moving from countries outside of Eastern Europe to those within. This is not surprising given the region displays the lasting effects of former Communist rule.

Table 3: Effect of Religiosity on Ratio

Dependent Ratio	Model 6	Model 7	Model 8	Model 9	Model 10
God	2.32 (0.98)**	2.47 (0.94)***	2.32 (0.99)**	2.38 (1.08)**	2.31 (1.04)**
Religious	-0.12 (0.09)	-0.14 (0.09)*	-0.11 (0.098)	-0.12 (0.097)	-0.12 (0.096)
Age 50+	-0.004 (0.11)	-0.03 (0.11)	-0.1 (0.12)	-0.01 (0.13)	-0.002 (0.12)
Education	-0.979 (0.58)	-0.98 (0.56)*	-1.02 (0.599)*	-0.98 (0.59)	-0.98 (0.60)
GDP	0.009 (0.195)	-0.41 (0.27)	-0.03 (0.20)	0.03 (0.25)	-0.006 (0.21)
Eastern Europe		-7.3 (3.5)***			
High Income			1.01 (2.43)		
IMF Advanced				0.37 (2.77)	
OECD					-0.089 (2.48)
Constant	17.47 (13.21)	18.31 (12.59)	17.76 (13.40)	17.36 (13.43)	17.60 (13.91)
No. of Obs.	39	39	39	39	39

Note: * p < 0.10, ** p < 0.05, *** p < 0.01

Models (6) through (10) also measure the effect of religiosity on income inequality, differing from Models (1) through (5) due to the replacement of the average Gini variable with the ratio of the top quintile's to the bottom quintile's share of income given as an average. Thus, higher values signify greater income inequality. The results are consistent with the previous models, but not as significant. Again they show a positive correlation between importance of god and income disparity at the 95% confidence level. The ratio increases by about 2 to 2.5 percentage points with every unit increase on the god scale. As in the results from Models (1) through (5), the relationship between the religious variable and income inequality is in the opposite direction of what was expected.

The effect of education level on income inequality is consistent across all models: as the average level of education increases, income inequality decreases. The robust quality of the results of this regression is increased by the negligible impact of controlling for those countries that have the strongest economies, whether this is gauged by gross national income per capita, being classified as an advanced economy, or being a member of the OECD. This establishes that the results are not being driven by any particular group of countries and therefore the correlation can be applied to all.

The discrepancy between the effect of the god variable and that of the religious

variable can be explained by going back to the original *World Values Survey* questions that provided the basis for these variables. The 'importance of god' question required the respondents to pick an absolute point on a scale from 1 to 10, producing a much more exact data continuum than would have been produced by simply asking if god was important to them or not. The question regarding religion is not as useful because it only offered three possible responses, two of which apply to non-religious people. Rather than providing some sort of scale along which a respondent could place their level of religiousness, the survey simply asked if they were religious or not, so even those who are only slightly religious were compelled to answer affirmatively. This ultimately makes this question much less revealing about actual level of religiosity than the god question.

V. Conclusion

The results of the empirical test offer some support for the hypothesis that more religious populations have higher levels of income inequality. Considering the correlation was found on the variable that measured religiosity specifically as the importance of god in daily life, it may be more accurate to hypothesize that it is not religion as a whole but rather just the singular aspect of god which drives the relationship. Establishing the presence of a correlation between these two variables was an important first step in investigating the influence of religion/belief in god on economic trends. Causality cannot be confirmed with these results, but they provide a starting point. Future studies could explore the question of causality through deeper country-level analysis.

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INTERNAL CONFLICT IN SMALL DEVELOPING STATES

SIDHANT RAO

Developing countries with very small populations are left out of most studies of internal conflict because of the lack of available data for these states. This study uses regression analysis on a sample of 56 small developing states around the world to determine whether they have a lower risk of internal conflict than large states, and attempts to find the conditions and factors that may serve as predictors of conflict within these states. The results indicate that small developing states are less prone to conflict than large states. However, factors that have been causally linked to conflict in large states, namely low economic growth and high dependence on primary commodity exports, do not necessarily explain conflict in small states; high degrees of ethnic fractionalization seems to serve moderately well as a predictor of conflict in small developing states.

I. Introduction

Intrastate wars have always been more common than interstate wars, and since the end of the Cold War there has been an increasingly sophisticated body of literature that attempts to identify the conditions that foster and cause internal conflict in countries. Nearly all of the existing studies on this topic, in their formulation and application of theories, have neglected to consider episodes of internal conflict in small developing states or 'microstates.'

One of the most evident reasons for this gap in the literature is the lack of available data for these states. Exact death counts are unavailable for conflicts that occur in small developing states because most of these countries have very few media outlets and receive little global attention. As a result, datasets and theoretical studies that examine episodes

of conflict based on approximate death thresholds often overlook or exclude conflicts that have occurred in small states. Aside from information on conflict deaths, many of the commonly used economic and demographic explanatory variables used to predict conflict are also unavailable for small developing states, as they have historically had limited institutional capacity to conduct censuses and collect national-level data. This may be another reason that authors choose to specify a lower-limit population threshold for countries included in their studies, rather than to supplement existing databases with primary research on small developing states.

The findings from existing studies on internal conflict give us an unclear idea of what to expect from small developing states in regards to their risk of conflict. Most studies on the subject find that there is a significant positive correlation between a country's population and risk of conflict; as a country's population increases, its risk of conflict also increases.¹ This leads us to believe that small states would have relatively fewer conflicts than larger states. On the other hand, small developing states exhibit many of the conditions that the existing literature has identified as predictors of internal conflict: weak central governments, widespread poverty, low growth rates, and vulnerability to external shocks, among others. These factors and their possible relevance to small developing states will be discussed in detail.

Therefore, the goal of this study is to bring small developing states into the study of internal conflict by posing two central questions: firstly, is the risk of conflict fundamentally different in small developing states than in large states? Secondly, what factors or conditions are correlated with conflict episodes within these states, and can we infer causality from the results obtained? The latter question will be answered by examining the existing literature on civil war and insurgency in depth to identify conditions that would be particularly relevant to small developing states. Based upon these conditions, a set of falsifiable hypotheses will be developed, which can be measured using available data, and tested for significance through regression analysis models.

However, before these steps, this study's definition of a small developing state must be clarified.

Defining a Small Developing State

There is no consensus as to the definition of a small developing state. In their reports on development in small states, the Commonwealth Secretariat and World Bank Joint Task Force on Small States use the population threshold of 1.5 million as an upper limit, but include larger countries, such as Jamaica, Lesotho, Namibia and Papua New Guinea, which have similar developmental challenges.² A large number of these states are also members of organizations such as the U.N. Department of Economic and Social Affairs Small Island States (SIDS) Unit, and the Alliance of Small Island States (AOSIS). Both organizations do not only include island states, as their name might suggest, but also low-lying coastal states such as Guinea-Bissau and Belize.

The goal of these organizations is to address the challenges that these states face relating to their 'smallness,' including remoteness, low levels of economic development, limited institutional capacity, small markets that have difficulty achieving economies of scale, severe susceptibility to climate change and natural disasters, and exceptionally high

reliance on international trade. Several of these states are also referred to by Paul Collier in *The Bottom Billion*, as he observes that their economic growth and development levels remain low even while other developing countries are experiencing progress.³

Therefore, for the purposes of this study, the list of 56 small states in consideration is a combination of the members of all three organizations. The practice of using a population threshold of 1.5 million as a general guideline, while including larger states that face the same developmental challenges, is followed. Conversely, some states that fall within the population threshold but do not share any economic similarities are excluded, such as Luxembourg. Unfortunately, some of the states that qualify for the definition used by this study had to be excluded because sufficient data for the treatment variables is unavailable for these states.⁴

II. Hypotheses

To reiterate, the goal of this paper is to bring small developing states into the study of internal conflict. It follows that the first area of concern should be to determine whether or not small developing states have the same likelihood of conflict as large states. Given that the existing literature has found that marginal increases in population have a significant and positive correlation with conflict, we would expect that since small states have very small populations, they would have relatively fewer conflicts than large states.

Hypothesis 1: Small developing states have relatively fewer internal conflicts than large states.

To test this hypothesis, this study will look at a dataset that includes conflicts in both small and large states and establish whether small developing states are indeed less prone to internal conflict, using a model consisting of economic growth, ethnic fractionalization, and religious fractionalizations as explanatory variables, and population and GDP per capita as controls. Additionally, small island developing states and non-island small states will be examined separately to observe whether islands have a higher or lower risk of conflict.

After looking at existing theories on the causes of civil wars and insurgencies, identifying conditions that are particularly prevalent across all small developing states, and factoring in the availability of data for potential treatment variables, the following hypotheses were developed to find predictors of conflict in these states.

Hypothesis 2: Periods of relatively low economic growth are commonly associated with episodes of internal conflict in small developing states.

Nearly all small developing states have low levels of economic development and many have had low rates of growth throughout their histories. However, this hypothesis intends to determine whether periods of particularly low growth will lead to conflict, measured by development indicators for economic growth.

Country	Population (2006)
Africa	
Botswana	1,757,884
Cape Verde	518,311
Comoros	613,605
Djibouti	805,656
Equatorial Guinea	514,889
Gabon	1,405,767
Guinea-Bissau	1,632,865
Lesotho	1,788,978
Mauritius	1,253,434
Namibia	2,050,821
Sao Tomé and Príncipe	160,055
Seychelles	85,757
Swaziland	1,126,159
The Gambia	1,552,746
Caribbean	
Antigua and Barbuda	83,612
Aruba	101,200
Bahamas	327,145
Barbados	270,043
Dominica	72,396
Dominican Republic	9,614,000
Grenada	108,148
Haiti	8,646,850
Jamaica	2,663,736
Netherlands Antilles	183,713
Puerto Rico	3,928,898
Saint Kitts and Nevis	48,393
Saint Lucia	166,014
Saint Vincent and Grenadines	119,635
Trinidad and Tobago	1,308,770
United States Virgin Islands	108,566

Country	Population (2006)
Europe	
Cyprus	765,482
Estonia	1,341,042
Malta	404,989
Middle East	
Bahrain	739,619
Qatar	827,533
Pacific	
Federated States of Micronesia	110,985
Fiji	853,485
French Polynesia	259,802
Kiribati	100,551
Marshall Islands	65,383
Nauru	12,000
New Caledonia	238,260
Palau	20,200
Papua New Guinea	5,995,265
Samoa	185,583
Solomon Islands	489,228
Timor-Leste	1,029,195
Tonga	102,448
Tuvalu	Unavailable
Vanuatu	215,341
South America	
Belize	297,233
Guyana	751,174
Suriname	451,566
South Asia	
Bhutan	647,000
Brunei	381,161
Maldives	336,982

Hypothesis 3: Periods of high dependence on a profitable natural resource in a small developing state are associated with internal conflict.

Small developing states typically have a single or few major industries that compose a significant part of their GDP. Since their levels of industrial and economic development are generally low, these industries often involve the extraction of a natural resource for export. If there is a high world demand for this resource, such as oil, natural gas, or other mineral fuels, then it may produce competition within the state for control of the rights to sell the resource and collect profits. This competition may then escalate into violent internal conflict between two or more groups. Fuel exports will be calculated as a percentage of GDP to determine whether there is an opportunity for profit through control of primary commodity exports.

Hypothesis 4: Higher degrees of ethnic or religious fractionalization are associated with greater risks of conflict in small developing states.

This hypothesis will determine whether states that have more diverse populations have a greater likelihood of conflict than states with more homogenous populations. Alesina et al.'s (2002) measures of fractionalization will be used to measure diversity. Since this source has separate indexes for ethnic and religious fractionalizations, both these types of diversity can be looked at individually to determine their correlation with internal conflict relative to each other.

III. Data Description

The larger sample of this study examines 205 states, 56 of which are small developing states. The unit of analysis for all models is country-years, ranging from 1960 to 2005. Following are the definitions and descriptions of each dependent, explanatory and control variable used as proxies for the phenomena explored by the hypotheses.

A. Dependent Variable

Internal Conflict

No existing database of internal conflict fully encompasses the range of internal conflicts in small states; the widely accepted UCDP/PRIO Armed Conflict Dataset defines conflict as “a contested incompatibility that concerns government and/or territory where the use of armed force between two parties, of which at least one is the government of a state, results in at least 25 battle-related deaths.”⁵

The CSP codes “major episodes of political violence” as conflicts that involve “at least 500 ‘directly-related’ fatalities and reach a level of intensity in which political violence is both systematic and sustained (a base rate of 100 ‘directly-related’ deaths per annum).”⁶ The dataset has several codes to denote conflict episode types and this study includes episodes that “civil-intrastate involving rival political groups” and for “ethnic-intrastate involving the state agent and a distinct ethnic group.”

B. Explanatory Variables

Economic Growth

Rates of economic growth are the treatment variables used for H_2 , and will be measured using both GDP per capita annual growth rate and also GDP growth rate, both collected from the World Bank World Development Indicators.⁷ While the former indicator is a more appropriate proxy for economic growth, data is more widely available for the latter. Therefore, using both as explanatory variables ensures a more complete representation of economic growth.

Primary commodity exports as percentage of GDP

Based on the findings of Collier and Hoeffler (2001) and Fearon (2004), fuel exports are the only commodities that are scarce enough on a world scale to present opportunities for profit to the parties that control them. Three separate measures collected from the World Bank World Development Indicators will be used to calculate a state's fuel exports as a percentage of its GDP: fuel exports as a percentage of total merchandise exports per annum, total merchandise exports per annum (current USD), and total GDP per annum (current USD).

The WDI technical notes on this source state that "fuel exports as a percent of merchandise exports is the percentage of the total value of all merchandise leaving a given country's borders attributable to fuel commodities... Fuels correspond to mineral fuels (Standard International Trade Classification (SITC) section 3). Merchandise exports are the free on board (f.o.b.) value of goods provided by a country to the rest of the world. This indicator is an approximate measure of the degree to which an economy's exports are dependent on fuel commodities."⁸

To determine fuel exports as a percentage of GDP, the following formula is used:

$$\frac{\text{Fuel exports (\% of merchandise exports)} \times \text{Total merchandise exports}}{\text{GDP}}$$

Diversity

Alesina et al.'s (2002) measures of ethnic and religious fractionalizations for 190 countries is used as it is the most recent measure of diversity, and also the most comprehensive, containing at least one variable for all 56 of the small developing states examined in this study. The authors attempted to improve upon earlier measures of diversity, and in particular, the commonly used index of ethnolinguistic fractionalization (ELF), published in the Atlas Narodov Mira in 1964. The ELF "was computed as one minus the Herfindahl index of ethnolinguistic group shares, and reflected the probability that two randomly selected individuals from a population belonged to different groups."⁹

The authors use the same formula, but attempt to separate ethnic fractionalization from linguistic fractionalization to the degree that it reflects actual diversity. They also add a third variable for religious fractionalization. Therefore, each variable represents the probability that two randomly chosen individuals from a country belong to different groups.

C. Control variables for confounding factors

External shocks

As Miguel, Satyanath and Sergenti (2004) assert, external shocks can be an influential but often neglected factor when examining the effects of economic conditions on the likelihood of internal conflict in states.¹⁰ Small developing states, because they are highly dependent on trade, are consequently extremely vulnerable to exogenous economic shocks. The challenge in finding an appropriate variable to measure the effects of external shocks was to identify one that could potentially have an effect on all of the states in the study, even though they are scattered around the world. The world price of crude oil, measured annually from 1960-2005 by the BP Statistical Review of World Energy,¹¹ will be used to control for external shocks, as oil is used in virtually every industry and hence, vital to the functioning of every economy. It must also be determined whether each state is an importer or exporter of oil, as the growth rate of importers will be negatively affected by a sharp increase in oil prices, while the growth rate of exporters will see a positive effect. The United States Energy Information Administration provides data on the oil reserves of every country in the world, allowing us to observe which countries will benefit or suffer from a shock in oil prices.¹²

Regions

Regional studies on internal conflict already exist, and this study seeks to examine common factors that are correlated with conflict in small developing states across all regions. However, to account for the possibility that particular regions are more prone to conflict than others, seven regional dummy variables that encompass the geographic range of small developing states will be used. In addition to the main regression tests, tests will be run with these regional dummy variables, dropping regions in which no conflicts occurred, to see if any particular region is more conflict-prone than others.

Islands

Forty out of the 56 small developing states in this study are islands. While there is no evidence to suggest that island states are any more or less prone to conflict than non-island states with similar economic and demographic conditions, this study will include a regression with a dummy variable for states that are islands in order to determine whether this has any effect on the likelihood of conflict.

Peacekeeping operations

Original studies found that U.N. peacekeeping operations that intervened in states experiencing civil wars had a positive effect on preventing future conflict and rebuilding effective state institutions.¹³ However, their model and consequent results have been questioned by more recent studies.¹⁴ This study will control for peacekeeping operations by including a dummy variable to indicate whether a peacekeeping operation existing in a given country-year had a significant positive or negative effect on the length or recurrence of conflicts.¹⁵

Model	Hypothesis Tested	Description
Model 2b: Nested model without fuel exports as % of GDP	H ₂ , H ₃ , H ₄	Fuel exports as % of GDP variable is dropped, as data is only available for 27% of all country-years in the dataset, to see the effect on the other explanatory variables.
Model 3a: Economic growth model GDP growth (current year)	H ₂	Uses only GDP growth as explanatory variable, along with control variables.
Model 3b: Economic growth model GDP growth (1-year lag)	H ₂	Uses GDP growth with 1-year lag as explanatory variable, to account for endogeneity.
Model 3c: Economic growth model GDP per capita growth (current year)	H ₂	Uses only GDP per capita growth as explanatory variable, along with control variables.
Model 3d: Economic growth model GDP per capita growth (1-year lag)	H ₂	Uses GDP per capita growth with 1-year lag as explanatory variable, to account for endogeneity.
Model 4: Fuel exports as % of GDP	H ₃	Uses only fuel exports as a percentage of a country's GDP in a given country-year as explanatory variable, along with control variables.
Model 5a: Ethnic and religious fractionalization	H ₄	Jointly measures ethnic and religious fractionalization, along with control variables.
Model 5b: Ethnic fractionalization	H ₄	Uses only ethnic fractionalization as explanatory variable, along with control variables.
Model 5c: Religious fractionalization	H ₄	Uses only religious fractionalization as explanatory variable, along with control variables.

GDP per capita

Studies have found that higher levels of GDP per capita have a very significant negative correlation with episodes of conflict. Given that all the small states in this study have low levels of development, we should not expect any significant divergence in results, but GDP per capita will be included to control for minor differences in states' wealth.

Population

As with the range in GDP per capita, the small states examined in this study fall within a specific range of population sizes. However, given that many of these states have been left out of studies on civil war and internal conflict, this study will use population as a control to determine whether small states at the lower end of this population range do indeed have a lower proclivity to conflict than states at the higher end.

IV. Empirical Model

The model used for all hypotheses will be a panel time-series cross-section, using logit regression analysis. The dependent variable, the internal conflict indicator for country i in year t is denoted conflict_{it} and is a dummy variable with the value of 1 if a conflict occurred in that country-year and 0 if no conflict occurred.

Model 1: Large and small states model (H₁):

$$\text{Conflict}_{it} = \alpha + \beta (\text{Small developing state}) + \beta (\text{Small island state}) + \beta (\text{GDP growth}) + \beta (\text{GDP per capita growth}) + \beta (\text{Ethnic fractionalization}) + \beta (\text{Religious fractionalization}) + \beta (\text{Population}) + \beta (\text{GDP per capita}) + \varepsilon$$

Model 2a: Nested model (H₂, H₃, H₄):

$$\text{Conflict}_{it} = \alpha + \beta (\text{GDP growth}) + \beta (\text{GDP per capita growth}) + \beta (\text{Fuel exports as \% of GDP}) + \beta (\text{Ethnic fractionalization}) + \beta (\text{Religious fractionalization}) + \beta (\text{GDP per capita}) + \beta (\text{Population}) + \beta (\text{World crude oil price}) + \beta (\text{Oil reserves}) + \beta (\text{Island}) + \beta (\text{Peacekeeping}) + \beta (\text{Region}) + \varepsilon$$

Other models will use variants of the equation in Model 2a, adding or excluding treatment variables as in the following table.

V. Results and Analysis

Hypothesis 1: Small developing states have relatively fewer internal conflicts than large states.

Based on the results of the models, this hypothesis is confirmed; large states have a risk of conflict that is nearly ten times higher than that of small developing states. Higher degrees of ethnic fractionalization were linked to increased risks of conflict across all states. Religious fractionalization had the opposite effect: lower levels of religious diversity were associated with conflict.

Hypothesis 2: Periods of relatively low economic growth are commonly associated with episodes of internal conflict in small developing states.

Indicators of economic growth do not seem to affect conflict when looked at along with the other explanatory variables, such as ethnic and religious fractionalizations. By themselves, low rates of economic growth are correlated with conflict. However, the correlation is not as significant when lagged variables are used.

As mentioned earlier, there is also the issue of reverse causality; in most of the existing literature on internal conflict, it has been observed that once a country experiences a civil war or large-scale conflict, its economy is severely weakened and negative effects continue to be felt long after the actual violence ends.¹⁷ In a small state, the event may not need to be large-scale to have this kind of impact and stunt the economy's growth for several years following the conflict.

Because of the weak levels of significance of the lagged economic growth indicators, and also the concern of reverse causality, we cannot infer from these results that in the case of small developing states, low growth rates have a causal relationship with conflict.

Hypothesis 3: Periods of high dependence on a profitable natural resource in a small developing state are associated with internal conflict.

The results suggest that a small developing state's economic dependence on a particular export commodity of value does not have any effect on conflict. However, this model is constrained by the limited amount of data available for the proxy considered, fuel exports as a percentage of GDP.

Hypothesis 4: Higher degrees of ethnic or religious fractionalization are associated with greater risks of conflict in small developing states.

Ethnic fractionalization seems to serve moderately well as a predictor of conflict in small developing states; states with higher degrees of ethnic diversity in the population seemed to be at a higher risk of conflict. Small states with more religiously homogenous populations seemed to have more incidences of conflict, but the correlation is at weak levels of significance.

It bears mentioning that ethnic fractionalization was positively correlated with conflict at a high level of significance for both large and small states. This raises the possibility of endogeneity: the correlation between higher levels of ethnic fractionalization and conflict may be a result that is unique to the models or data used in this study, as other studies have discredited this correlation.

Other variables of significance

In several of the regression models, some of the control variables are recurrently significant. GDP per capita is often highly significant, always with a negative coefficient, and is also marginally significant at a weak level in all regressions using the UCDP/PRIO dataset, but the size of its impact is very small. Population is significant with a positive coefficient. Both these outcomes were expected, as studies of internal conflict for large states have shown that poorer countries are more prone to internal conflict, and the probability of conflict increases along with population size. These two factors appear to hold true for

small developing states, as well as for larger states.

Other control variables that were found to be significant in some of the regression models were the dummy variables indicating the presence of a U.N. peacekeeping operation, the presence of oil wells, and islands within certain regions.

While there is literature that questions the effectiveness of United Nations peacekeeping operations, it is difficult to draw any conclusions from the correlation between the presence of a peacekeeping operation in a country, and a conflict occurring in that given country-year. The peacekeeping operation would arrive to quell an ongoing conflict, but the conflict may continue for a few years. One would expect that the peacekeeping operation would remain in the country until the conflict ends, and this may account for the significant correlation.

The presence of oil wells was entered as a time-invariant variable, but was found to be highly significant in several regressions. However, no correlation was found between fuel exports as a percentage of GDP and conflict. Therefore, these variables are not interchangeable. One theory of explanation is the WDI database excludes or underreports export data from some states. A second explanation may be that some of the states with proven oil wells do not have enough fuel resources to develop a sophisticated fuel export industry, and therefore there was no correlation between fuel exports and conflict. However, the presence of oil wells and the perceived opportunity to profit from controlling them may still have led to conflicts over the control of these resources.

The only regions that had highly significant coefficients in some models were the Pacific, and to a lesser extent, the Caribbean. Both these regions had a positive sign, seeming to indicate that small states in these regions may be more conflict-prone than those in the other regions. However, this is most likely accounted for by the fact that both of these regions are two of the largest clusters of small states. It is interesting to note that when the regional variables were applied, the island dummy variable was highly significant with a negative sign. This indicates that just within these regions, island states are more peaceful than non-islands.

VI. Conclusion

In attempting to examine internal conflict in small developing states, the models used in this study found a conclusive answer to just one of its two central questions: small developing states do have a lower risk of conflict than large states. A large state is seven to nine times more prone to conflict than a small developing state, according to the two conflict databases used in this study. Though it was noted that small developing states exhibit several of the economic conditions that are commonly associated with conflict, these seem to be offset by their small populations. As a result, small developing states are generally more peaceful than all larger states.

No conclusive causal factors could be found to predict internal conflict in small developing states. Economic growth rates had some effect on the risk of conflict, but the results were problematic. Fuel exports as a percentage of GDP had no effect, but the sample size was greatly constrained. Religious fractionalization had a negative relationship with conflict, suggesting that increasing religious diversity had no effect on the risk of conflict.

However, higher levels of ethnic fractionalization showed a moderate correlation with conflict and seem to serve moderately well as a predictor of risk, even if the results were not entirely compelling. Outside of the main explanatory variables, the presence of oil wells in a state seemed to increase the risk of conflict, which may be an interesting topic for future study. Population and GDP per capita seem to be the strongest determinants of conflict in states of all sizes.

From a policy perspective, determining the root causes of conflict in these states would be useful for two reasons. Firstly, it would help to identify which states have higher risks of conflict. Secondly, it would help peacebuilding and economic aid programs to target specific economic or demographic conditions that could effectively prevent future outbreaks of conflict in these states.

Conducting this study underscored the difficulty of finding complete and accurate data on demographic and economic indicators for small developing states. Even the conflict databases showed a lot of discrepancy in identifying incidences of conflicts in these states. Several of the same explanatory variables, if supplemented with better data, may show different and more meaningful results in future studies. There may also be better proxies with more widely available data to measure the phenomena in this study. Moreover, as more data on small developing states becomes available, more factors that have been used in other studies on internal conflict can be applied to these states, such as economic inequality, levels of democracy, and youth bulges, as some examples. Fortunately, international and regional organizations, such as the U.N. Small Island Developing States Unit, and the Secretariat of the Pacific Community, have extensive ongoing projects to build and maintain statistical databases on these states, opening up possibilities for further research.

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THE VALIDITY OF ROGUE STATE POLITICS

SANG JOON KIM

The lack of empirical and interpretative studies dedicated to measuring the soundness of the rogue state politics used by the U.S. since the 1980s calls for analyses to fill in the missing holes. Through quantitative analysis I attempt to test rogue states' rationality, or lack thereof, through observing and comparing the interstate dispute behaviors between rogue states and non-rogue states. My qualitative analysis attempts to find counterfactual states to North Korea and Iraq, the two most notorious rogue states, and compare the interstate dispute behaviors in each pair. A difference-in-means test is used to determine if the results are statistically significant.

I. Introduction

The concept of rogue states has been at the forefront of U.S. foreign and national security policy. The rogue states have been labeled as 'rogue' by the U.S. beginning from the early 1980s, and they have always been viewed as 'reckless' and 'undeterrable' states henceforth. The rogue state doctrine that current U.S. foreign and national security policies are based on implicitly assumes an antagonistic view of these states by calling them irrational actors who pursue "wanton destruction."¹ The validity of such a statement and the characterizations that come with the label 'rogue,' however, have not been comprehensively tested. The scarcity of studies devoted to unveiling whether U.S. rogue state politics are founded on a sound premise calls for an empirical and interpretative analysis. While cross-sectional studies that compare a group of rogue states with a group of non-rogue states can be unearthed, it is still incomplete, and the interpretative approach that compares an individual rogue state with its counterfactual state is missing. In order to fill in important

gaps in the current studies regarding this field, my thesis will attempt to test the validity of rogue state politics by the U.S. through (1) a quantitative analysis that tests five rogue states' 'irrational' behaviors in interstate disputes compared to those of non-rogue states and (2) a qualitative controlled comparison of the two states most notoriously known as rogues—North Korea and Iraq—to their counterfactual states, Pakistan and Saudi Arabia, respectively, both of which were considered U.S. allies from 1980 to 2001.

II. Discussion

Background

The U.S. has been wielding rogue state doctrine as a potent political tool to justify many of its foreign and defense policies ever since the first Bush administration introduced it. Shortly thereafter, the Clinton administration introduced the "golden age" of rogue state politics, which defined the theme for its foreign policy around protecting the regions that are of vital interest to the U.S. from the rogue states' aggressive and often irrational behaviors.² However, unofficial rogue state politics began in the early 1980s when certain states were consistently named as rogue by foreign policy decision-makers, analysts, and commentators.³ The rogue state doctrine is currently the centerpiece of U.S. foreign policy's strategic and military thinking. Nowadays, the national security threat to the U.S. comes not so much from another sovereign state, but from religious extremists and fundamentalists that can be sponsored by those rogue states that share genuine aversion toward the United States.

Rogue States: The Characterizations

The National Security Council states that the very presence of rogue states have become "a looming threat to all nations."⁴ American policy makers, in accordance with the National Security Council's view, have attributed three primary characteristics that rogue states typically display: (1) Rogue states are irrationally aggressive, (2) Rogue states pursue weapons of mass destruction, and (3) Rogue states support and spread international terrorism. These three characterizations become the founding pillars to the concept of a rogue state's irrationality, and the validity of rogue state politics and its antagonizing tendency toward such states by the U.S. depends, more or less, on these three premises being true.

Because of the United States' position as leader of the free world, the characterizations above significantly influence other actors by affecting their decision-making processes and policies toward such states. Therefore, the effects of foreign politics and political rhetoric implemented by the U.S. reach beyond the domestic arena, and the strength of such influence demands that the policy be just and founded upon a sound set of premises.

More importantly, there have been few scholarly works that attempt to empirically test whether these characterizations by the U.S. are justified. Even among the works that attempt to test the rogue-ness of the labeled states, most only contain partial analyses. Also, the dearth of subjective analysis shows that the current studies on rogue state politics are incomplete. It is therefore, in my opinion, imperative that the three characterizations used by the U.S. be analyzed in addition to further empirical studies. If they are unsound, then the caricature of a rogue state is founded upon an unsound set of premises, and consequently, the U.S.'s rogue state politics are unjustified.

III. Literature Review

Contrary to popular belief, the general policies that the U.S. has implemented over the last two decades for rogue states have aligned with general deterrence policies, rather than policies tailored specifically to fight rogue states' 'undeterrable' behaviors.⁵ Economic sanctions, aggressive military policies and embargoes, which most scholars thought of as the centerpiece in dealing with rogue states, constituted less than 5% of the total foreign policies directed at these states. If as "undeterrable" as the U.S. says, then why does the U.S. response towards these states assume that the traditional concept that deterrence can work?

Although it is understandable that the very act of researching under the implicit acceptance of the term 'rogue state' used by the U.S. signifies an embrace of that term, which may further worsen the affect of the label, the nature of this thesis requires that North Korea and Iraq be studied in such a way as I am attempting to analyze the validity of characterizations that the U.S. politics are imposing.

III. Research Models

My quantitative research will involve comparing the means of selected variables that measure a state's interstate dispute behavior between rogue and non-rogue states. I will also conduct the difference-in-means test to find the statistical significance of such means. The research aims to fill in the missing gaps present on current empirical works regarding rogue states' militarized behaviors— which are pivotal in defining them as irrationally aggressive. The main variables that I will use to compare rogue and non-rogue states in terms of how they behave in interstate conflicts will be hostility levels, fatality levels, deadliness levels and the highest actions pursued. In each of these four variables, I will find the mean value and compare the rogue states' results with the non-rogue states' results to see if rogue states do exhibit irrational behaviors during interstate disputes. The data sets that I will be using will be from Correlatesofwar.org (COW), specifically the incident-level and participant-level Militarized Dispute Data (MID) interstate data sets.⁶

My qualitative analysis will attempt to clarify where rogue states stand in terms of the three characterizations that the U.S. posits, and how accurate these three characterizations are based on controlled counterfactual comparison. My sample includes four states (North Korea and Iraq as rogue states, and Pakistan and Saudi Arabia, respectively, as non-rogue counterfactual states) analyzed in the period of 1980 to 2001. First, I will qualitatively select and justify the respective counterfactual state to each rogue state using four control variables (possession of nuclear weapon, support terrorism, political structure and human rights record) that typically define what constitutes a rogue state by the U.S., with one major difference being that the counterfactual states are close U.S. allies. If in each pair, rogue states and non-rogue states are similar in terms of where they stand in the controlled variables, then this will initially indicate that the U.S.'s practice of labeling rogue states is questionable. I will also perform an interstate dispute behavior test, using the same four variables from the quantitative analysis, for each pair in order to closely examine how different North Korea and Iraq are from Pakistan and Saudi Arabia in terms of interstate conflict behaviors.

My main purpose in the quantitative analysis is to compare how aggressive, hostile and prone to causing casualties the five states are compared to the rest of the world during interstate conflicts. My main purpose in the qualitative analysis is to find out, given the important pillars of rationale that the U.S. uses to justify its rogue state politics, how different rogue states are compared to their counterparts. The overall goal of my thesis will be not to prove whether or not the rogue states are rational, but instead to prove whether or not they are not irrational.

Quantitative Analysis

Hypothesis I: The five rogue states do not behave significantly differently from non-rogue states in terms of interstate disputes behavior from 1980 – 2001.

Null Hypothesis I: The five rogue states do behave significantly differently from non-rogue states in terms of interstate disputes behavior from 1980 to 2001.

Qualitative Analysis

Hypothesis II: The two rogue states chosen for counterfactual comparison, given that the counterfactual relationship is aptly established, do not behave significantly differently than their counterfactual (non-rogue) states in terms of interstate dispute behaviors.

Null Hypothesis II: The two rogue states chosen for counterfactual comparison, given that the counterfactual relationship is aptly established, do behave significantly differently than their (non-rogue) counterfactual states in terms of interstate dispute behaviors.

IV. Data Descriptions - Quantitative Analysis

The participant-level MID data set contains 5602 observations of recorded interstate disputes for all countries, of which 175 have been identified as rogue interstate disputes. The dispute-level MID data set contains 2332 dispute observations, out of which 156 have been identified as rogue interstate disputes. The unit of observations will be the total number of conflict a group of states had between 1980 to 2001.

For each of the four variables (hostility level, fatality level, highest action level and deadliness level), I have coded a binary rogue variable in the MID data sets to distinguish between rogue states and non-rogue states based on Caprioli and Trumbore's findings that show which states the U.S. believes to be rogue.⁷ The variable takes into account the fact that each state became rogue in different years. For instance, Iraq only became 'rogue' after its invasion of Kuwait in 1990.⁸ Controlling these factors, I believe that the comparison is apt.

The participant-level data set will be used to find out the fatality level, the hostility level and the highest actions pursued variables. The fatality level (*fatality*) measures the fatality caused by a state in an interstate dispute, which is divided into different levels: 0 = None, 1 = 1-25 deaths, 2 = 26 – 100 deaths, 3 = 101 – 250 deaths, 4 = 251 – 500 deaths, 5 = 501 – 999 deaths, and 6 = more than 999 deaths. The hostility level (*hostlev*) measures the hostility level reached by state in a dispute: 1 = no militarized dispute, 2 = threat to use force, 3 = display of force, 4 = use of force, and 5 = war.

The highest action pursued (*Hiact*) variable represents the highest action by state in a dispute in terms of aggressiveness: 0 = no militarized action, 1 = threat to use force, 2 = threat to blockade, 3 = threat to occupy territory, 4 = threat to declare war, 5 = threat to use CBR weapons, 6 = threat to join war, 7 = show of force, 8 = alert, 9 = nuclear alert, 10 = mobilization, 11 = fortify border, 12 = border violation, 13 = declaration of war, 19 = use of CBR weapons, 20 = begin interstate war, 21 = join interstate war, and -9 = missing. It is believed that the higher the number of *Hiact* is, the more hostile the state who committed the action is believed to be in each conflict. The incident-level data set will be primarily used to find out the deadliness level (dead) variable, where I will code the disputes—*rogue_dispute* and *nonrogue_dispute*—in order to measure how deadly the disputes usually end up when rogues states are involved, as compared to when only non-rogues are involved.

By taking a look at the means of these four variables and comparing the results of non-rogue and rogue states, quantitative analysis will show how aggressive and irrational the latter is in interstate disputes. Consequently, the result can shed light on whether or not rogue states are as irrationally aggressive as the U.S. claims.

V. Data Descriptions – Qualitative Analysis

In order to find a counterfactual state to each rogue state, I will be controlling for four different variables: (1) Acquisition of (or the pursuit of) weapons of mass destruction, (2) Support of terrorism, (3) Political structure, and (4) Human rights record. The first two factors are part of the three generic characterizations that the U.S. National Security Council employs in its rogue state politics, and the latter two deal more with the inherent nature of the state. Whether a state has WMDs or supports terrorism are two variables that can easily be found out from the U.S. intelligence gathering agencies. Also, the Bush administration after the 9/11 incident has elevated the definition to include the human rights issue. A state can be a rogue if it 'denies freedom to some of its citizens.'⁹ In addition, one of the premises of the 2003 Iraq invasion by the U.S. was to spread democracy, and for the purpose of the research, I believe that the political structure of a state, specifically how undemocratic it is, is an important variable that requires analysis.

While the economic climate has been considered as a possible fifth factor, rogue state politics may significantly influence their economies through sanctions. Also, cultural similarity has been precluded as a viable factor. Since there are so many elements to a nation's culture that can be endogenous to other factors like politics and economic trend, for every similarity that a state and its counterfactual share, there exist cultural counterexamples that can undermine the significance of such findings.

Finally, the definition of WMDs, or Weapons of Mass Destruction, is a subject that requires clarification since its exact meaning has always been contested. For the purpose of the study, WMD refers to nuclear weapons only.¹⁰

Critics may argue that regardless of the four controlled variables, it is ultimately the irrationality of the rogue states that justifies the set of antagonizing policies from 1980 to 2001. However, if the primary goal of the quantitative analysis is to test the irrationality of rogue states in interstate disputes, the primary goal of the qualitative analysis will be to

test the four major rationales that the U.S. uses to deem a state rogue and see if the selected rogue states, when compared to their counterfactual states, truly deserve the international stereotyping that ensues from the labeling practices.

VI. Summary of Results – Quantitative Analysis

First, the hostility level test shows both rogue and non-rogue states hover around the 'display of force' level without ever reaching the 'use of force' level in interstate disputes. The difference in the mean *hostlev* level of rogue states and non-rogue states is statistically significant at the 95% confidence level.

The *hiact* test shows that the both types of states fall into the range of hostility level three, which corresponds to the previous test conducted. The *hiact* variable has a broader range than that of the *hostlev* variable. However, it is important to note the *hiact* result for rogue states has a relatively large standard error, indicating that it may not be wise to interpret the *hiact* average test literally, but rather as another general indicator of the hostility level exhibited during interstate disputes. The difference in the mean *hiact* level of rogue states and non-rogue states is statistically significant at the 95% confidence level.

The fatality level test surprisingly shows that rogue states, in general, cause less fatality to the other disputant in interstate conflicts. While the difference in mean between rogue and non-rogue states does not seem to indicate a significant difference, it shows that rogue states generally cause less fatality to their disputants in interstate disputes. The difference in the mean fatality level of rogue states and non-rogue states is statistically significant at the 99% confidence level.

The deadliness test measures how deadly disputes usually end up when rogue states are involved, as supposed to when only non-rogue states are involved. The results indicate that the interstate disputes that rogue states are involved in do not become more deadly, on average, than those of non-rogue states. In fact, rogue states have less of a chance that their average fatality level in a dispute will be between one and 25 deaths than that of non-rogue states. The general notion that rogue states' disputes are bloodier than those of non-rogue states is false based on the deadliness test findings.

These findings indicate that Quantitative Hypothesis I is correct. During interstate disputes, rogue states do not act significantly differently than non-rogue states, and it is incorrect to call rogue states irrationally aggressive in terms of how they handle the interstate disputes.

VII. North Korea and Pakistan Comparison

The establishment of the Democratic People's Republic of Korea (DPRK) in 1948 and the consequent Korean War that ensued in 1950 mark the beginning of heavy U.S. intervention in the Korean peninsula. As East Asia became a vital region of interest to the U.S. during the Cold War and Post-Cold War eras, DPRK was seen as a threat in that region, and the U.S. has assumed an antagonistic stance toward it ever since.

The U.S.- Pakistan relationship has been a mixture of cooperation and disso-

nance since the end of Cold War. Pakistan aligned with the West when it became a member to the South East Asia Treaty Organization and the Central Treaty Organization in 1955, and the U.S. heavily assisted Pakistan both militarily and economically thereafter. But the relationship soon deteriorated as three wars broke out between Pakistan and India, its rival state. Pakistan's investment to build uranium enrichment facilities also resulted in the U.S. suspension of aid in 1979. However, the Soviet invasion of Afghanistan made the U.S. view Pakistan as a frontline ally on whom the U.S. relied to stop the spread of communism in that region. After 9/11, Pakistan enlisted to support the cause of fighting terrorism, which led the U.S. to view Pakistan as a "pivotal ally."¹¹ The U.S. further indicated that "a stable, democratic, economically thriving Pakistan is vital to U.S. interests in Asia."¹² The U.S. gave Pakistan \$2.64 billion in direct assistance from 2003 to 2005,¹³ establishing Pakistan as a definitive ally to the U.S. The following analysis will attempt to show that Pakistan is North Korea's counterfactual state.

First Variable: Weapons of Mass Destruction

Both North Korean and Pakistan are viewed as having the capacity to build a nuclear weapon. North Korea successfully conducted its nuclear test in October 9, 2006, while Pakistan accomplished the same in 1998 in a response to India's unannounced nuclear test. Pakistan is currently believed to have enough fissile material for 55-90 nuclear weapons.¹⁴ The CIA reports that in December 2002, North Korea could produce two atomic bombs, though other intelligence agencies report that North Korea could make "two or more nuclear weapons per year."¹⁵ While both of these states have yet to legitimately earn the title as a nuclear power state, it is clear that neither lacks the capacity to produce weapons of mass destruction.

Second Variable: Supporting Terrorism

Both countries are suspected to support terrorism directly or through selling weapons to terrorist organizations. North Korea has admitted that Pyongyang would stop ballistic missile sales to countries such as Iran in exchange for U.S. compensation of \$500 million in 1998.¹⁵ Pakistan, ironically enough, has been suspected to assist Pyongyang's covert nuclear weapons program by providing North Korea, along with Iran and Libya, with uranium enrichment materials and technologies as recently as 2002.¹⁶ Moreover, Pakistan has been suspected of supporting a separatist group committing cross-border terrorism to India, specifically in Kashmir.¹⁷

Third Variable: Political Structure

North Korea is identified as a state with a most authoritarian regime (167th) according to the Democracy Index.¹⁸ North Korea has a state control political structure where the dictator Kim Jong Il controls nearly all aspects of economic, civic and military life. Pakistan, where military regimes have ruled for more than half of its 57 years of existence, scores an 113th in rank where it is considered as an authoritarian regime as well.²⁰ Arms Chief General Pervez Musharraf's overthrowing of the government and the consequent suspension of the constitution and the power of the court in 1999, delineates the weakness and the instability of Pakistan's democracy.¹⁹

Fourth Variable: Human Rights Records

The U.S. Department of State reports that Pakistan's human rights record remains poor and serious problems remain; along with flaws in its legal framework, the police use excessive force and often rape citizens as sectarian killings continue.²⁰ Similarly, the Department reports that North Korea's human rights record remains poor and the regime in power seriously abuses its people. Citizens do not have the right to challenge the government, torture is common, and the citizens are denied freedom of speech.²¹

I believe that the comparison of these four factors between North Korea and Pakistan show enough similarity that Pakistan can be a counterfactual state to North Korea between the 1980s to 2001. An important difference also exists between these two states: only Pakistan is considered a U.S. ally. This further shows that the counterfactual relationship can be established between North Korea and Pakistan. The existence of this relationship itself is significant in that the rationales that the U.S. uses to validate its rogue state politics are questionable.

VIII. Iraq and Saudi Arabia Comparison

In 1979, Saddam Hussein assumed position both as the President of Iraq and Chairman of the Revolutionary Command Council. Soon after, the Iran-Iraq War (1980-1988) made Iraq one of the most powerful military presences in the Gulf region, while at the same time having huge debts and ongoing domestic rebellions. Iraq's invasion of Kuwait in 1990 gave life to a U.S.-led coalition under the U.N. to expel Iraq. In 2003, the U.S. led an invasion to topple Saddam Hussein and the Ba'the regime. Iraq has consistently been labeled as a rogue state starting from the Clinton administration to the current Bush administration. The latter, however, intensified antagonizing Iraq by including it as part of the 'axis of evil,' which poses an imminent threat to the world. The cruel treatment of Iraqis, exemplified by the way Saddam Hussein handled the Kurdish rebellions, is often given as one of the main justifications for the invasion, along with Iraq's ability to proliferate chemical and biological weapons.²² It is clear that Iraq has historically been an enemy to the U.S., especially in the 1990's when Iraq invaded Kuwait. For the purpose of the research, only the pre-2003 data on Iraq will be used since the U.S. occupation of Iraq is a great external factor in the data.

The U.S. and Saudi Arabia look to each other as an important allies. The U.S. and Saudi Arabia have long-standing economic and defense ties. In addition, Saudi Arabia was a key member of the allied coalition that expelled Iraqi forces from Kuwait in 1991. After 9/11, Saudi Arabia has shown support of fighting terrorism through intelligence sharing, law enforcement activities, and terrorist finance tracking. The U.S. responds with a strong commitment to improving Saudi Arabia's security.²³ Since Saudi Arabia is the world's top oil exporter and the U.S. is the world's top oil importer, the economic importance of Saudi Arabia to the U.S. cannot be downplayed.²⁴

First Variable: Weapons of Mass Destruction

Neither Iraq nor Saudi Arabia own nuclear weapons. While both spend heavily in conventional military development, neither is reported to either be a nuclear power state or have the capacity to develop a nuclear weapon, according to the latest CRS reports.

Second Variable: Supporting Terrorism

Prior to the U.S. invasion, both Iraq and Saudi Arabia have been suspected to support international terrorist groups. In 2004, in a CRS Congress report titled "Iraq and Al Qaeda: Allies or Not?," the U.S. government suspected a tie between Al Qaeda and Iraq from the early 1990s to the invasion of Iraq in 2003. This demonstrates that not only is Iraq a possible location for a terrorist organization to proliferate, but it has also been suspected by the U.S. to be a close link to Al Qaeda. Saudi Arabia has also been suspected and criticized as supporting terrorist groups. In June 2002, in a briefing by the Rand Corporation which advises U.S. Department of Defense, an analyst stated that "the Saudis are active at every level of the terror chain, from planners to financiers."²⁵ In Congress, concerns about Saudi Arabia's alleged terrorist connections are growing.

Third Variable: Political Structure

Both Iraq and Saudi Arabia are significantly undemocratic in their political structure. Iraq is considered a hybrid regime most close to being an authoritarian regime by the Democracy index.²⁶ However, it is important to note that this result is from 2007 and does not represent Saddam Hussein's Ba'the regime prior to the 2003 invasion. Saddam Hussein's dictatorial rule of Iraq had been authoritarian, and logically, the current Democracy Index does not accurately capture just how authoritarian Iraq's government had been, under Saddam Hussein's regime, prior to 2003. Saudi Arabia's political structure is also considered an authoritarian regime, according to the Democracy Index.²⁷ The Saudi monarchy is maintained through strict control without recognizing political parties or holding national elections.

Fourth Variable: Human Rights Record

The U.S. Department of State in 2002 reports that under Saddam's rule, Iraq's human rights record remained extremely poor. It says that citizens are executed based on their religious affiliation, government-affiliated killing and torturing are common, security forces routinely rape women, and citizens cannot challenge the government.²⁸

Likewise, the Department reports that Saudi Arabia's human records remain poor and serious problems remain. As in Iraq's case, there are credible reports that security forces torture the citizens and arbitrarily arrest them. The government infringes upon privacy rights, the citizens cannot challenge the government, women's rights are seriously violated, and there is a flaw in the legal framework.²⁹

I believe that these four variables, when controlled between Iraq and Saudi Arabia, show enough similarity that Saudi Arabia can be a counterfactual state to Iraq between the 1980s to 2001, with the important distinction that Saudi Arabia is considered an ally while Iraq is considered 'rogue.'

IX. Counterfactual Interstate Dispute Test

In addition to the counterfactual comparisons, I believe that it is important to apply the quantitative analysis that I performed to compare rogue states and non-rogue states' interstate dispute behaviors to each pair. Given intrastate dispute information, comparing

interstate behaviors between the selected two rogue states and their counterparts would further be helpful in judging if U.S. rogue state politics are just. The deadliness variable was not included in this test because the dispute-level data set made it impossible to distinguish between individual rogue states.

X. Summary of Results

It can be observed that North Korea and Pakistan's *hostlev* averages and *hiact* averages are almost identical, including the robust standard of error. The results show that both North Korea and Pakistan have a hostility level in the 'display of force' category rather than 'use of force' category, and their average highest actions pursued in interstate disputes are somewhere between 'border violation' and 'blockade.' The *hiact* average results should be taken more as another hostility level indicator rather than their literal meaning. However, it is important to note that for these two variables, the difference-in-means test shows that they are not statistically significant, meaning they should be taken with a grain of salt. While it may not be definite proof, these two tests show that North Korea, on average, do not behave significantly worse than its counterpart, Pakistan, in interstate disputes.

However, the fatality difference-in-means test results are highly significant. The test shows that North Korea is actually less likely to cause fatalities in interstate disputes, on average, than Pakistan. The result is significant in pointing out that North Korea, when it comes to the fatality caused in interstate disputes, is actually better than its counterpart, Pakistan. Given the results of these tests, North Korea does not have a significantly worse hostility level and fatality level on average than Pakistan, and the U.S.'s international vilification of North Korea, based on the premise that it is irrational and dangerous to the well-being of all nations, is unjustified when put into the context of the average test results of Pakistan.

In the Iraq and Saudi Arabia comparison, the *hostlev* and *hiact* tests show that Iraq is slightly more hostile than Saudi Arabia in interstate disputes, a result that is somewhat statistically significant. The average *hiact* level test also shows that Iraq and Saudi Arabia are not significantly different from each other. While it is true that Iraq generally has a higher hostility level than that of Saudi Arabia, the results are not significant enough to justify use of a completely different policy.

The fatality level test shows that Iraq and Saudi Arabia are, again, similar in terms of how likely they will cause fatality to the other disputant during interstate disputes. The difference in means is not significant enough to support the argument that one is more prone to cause fatality than the other. However, unlike North Korea and Pakistan's fatality level test, Iraq and Saudi Arabia's fatality level difference-in-means test is not statistically significant, and thus should be taken with a grain of salt. The results of these three tests show that Hypothesis II is correct. Iraq and Saudi Arabia are not significantly different from each other in terms of their hostility levels and fatality levels during interstate disputes, and the U.S.'s statement that Iraq is irrationally aggressive and thus should be called a rogue is unjustified given the context that one of its closest ally, Saudi Arabia, does not fare significantly differently than Iraq.

XI. Conclusion

Rogue state politics have been vilifying the so-called ‘rogue states’ under the premise that they have been posing a universal threat to all nations since the early 1980s. However, the five rogue states show relatively similar, or insignificantly worse, behavior patterns in interstate disputes compared to non-rogue states during the period 1980-2001. The four variables that I looked at (hostility level, highest action pursued, fatality level, and deadliness level) show that rogue states’ averages are insignificantly higher than non-rogue states’ averages. Given the context in which the U.S. constantly depicts rogue states as the ‘antagonists’ that threaten the well-being of the world, the results of my quantitative analysis indicate that such depiction is inaccurate when the interstate dispute behaviors between rogue states and non-rogue states are compared. In addition, my qualitative analysis shows that the very fact that there can be counterfactual states to some rogue states is a statement in itself: the rationales that the U.S. often uses to justify which states are or are not deemed as ‘rogue’ are flawed and inconsistent. The counterfactual interstate dispute tests also show that interstate dispute behaviors between the selected two rogue states and their counterparts do not differ significantly. In some cases, rogue states fared better, or more were more rational, than their counterparts in terms of hostility level and fatality level.

In finishing my thesis, I have found out that the standard in which I measured a state’s rationality, or irrationally rather, should not be the sole criterion in deciding what constitutes a rational state. Necessary studies that focus on a more comprehensive definition of irrationality, such as the diplomatic relations record and specific regional analysis, could not be conducted due to the shortage of time and the length limit of my thesis.

Overall, the results of my analyses persuaded me to believe that the U.S. needs to either create a new set of policies that better reflect the current situations of these rogue states or create a justification for rogue state politics other than moral arguments often delivered through antagonistic language.

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AMERICAN IMAGE: THE EFFECT OF U.S. FILM EXPORTS ON ANTI-AMERICANISM

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As one of the most lucrative businesses in the United States, the thriving Hollywood market increasingly exports its products to countries whose opinion of the United States has become increasingly negative. There exists a popular conception among academia and the general public that American media abroad depicts Americans in a manner that repels foreigners. Despite a running debate, little hard evidence exists to support this claim. This study uses statistics to empirically examine the validity of this idea. Contrary to popular belief, the results of this quantitative study indicate that there is no correlation between U.S. media exports and rise in anti-Americanism.

I. Introduction

Between 2002 and 2007, the image of the United States declined throughout the world. According to the available data from the Pew Global Attitudes 2007 Survey, 26 countries out of 33 exhibited trends expressing a less favorable image of the United States. Not only have perceptions of the United States as a country declined, but opinions of Americans as individuals have also dropped. The opinion of the American general public plunged between 2002 and 2007 in 70% of the countries for which trends are available. These trends signal that in addition to factors that negatively portray our country, further influences exist that damage the projection, and perception, of American civilians.

Americans have become so disliked globally that foreigners even object to the spread of their American way of life. But contrary to a recent "global backlash against the spread of American ideas and customs," there has been a rise in the demand abroad for U.S. media and entertainment (*Pew Global Attitudes Project 2007*, 4). While only four countries

from this survey currently have majorities indicating that they are fond of the spread of American customs, the rise in U.S. media exports also demonstrates a general eagerness abroad for American movies, music, and television shows. This presents the puzzling question of why American entertainment is selling lucratively in nations that claim they do not want more American influence.

Many hypothesize that these negative views of Americans are produced by U.S. media exports. Media critics contend that a general anti-American disposition stems from images of Americans viewed abroad, particularly those that we export ourselves. Foreigners who have never visited the United States or had personal experience with its citizens may build their beliefs about America and Americans on depictions they see in U.S.-produced movies and television (Fullerton, Hamilton, and Kendrik 2007). In a 2002 survey of high school students in 12 foreign countries, researchers concluded that young people have been significantly influenced by depictions of Americans as dominating, sexually immoral, materialistic, and violent in mass media entertainment (Defleur and Defleur 2003).

As one of the most lucrative businesses in the United States, the thriving Hollywood market increasingly exports its products to countries whose opinion of the United States has become increasingly negative. Prior research has explored in depth the effects of foreign policy on global views of the country of the United States. Little investigation, however, has been conducted on the projection that Americans create of themselves, specifically via the media they export.

This study examines the hypothetical link between consumption of American media abroad and anti-Americanism, and to explore whether the exportation of American opinions and viewpoints through film projects an aversive image of Americans. Understanding the roots of anti-Americanism becomes more and more relevant as criticism of American interest overseas continues, negative attitudes towards the U.S. become more prevalent, and Americans endeavor to comprehend the motives behind terrorists attacks such as 9/11.

II. Literature Review

Current data supports the argument that both U.S. movie exports and anti-Americanism are simultaneously rising. Evidence of anti-Americanism is found in the survey results of the 2007 Pew Global Attitudes Report, indicating a trend toward widespread anti-Americanism for the past five years. Out of 33 countries, 26 view the U.S. as less favorable today than five years ago. However, non-Westerners are generally pleased with American products, having a strong appetite for American technology and cultural exports. What they object to is the spread of American ideals. In nearly every country predominated by the Islamic faith, the U.S. image remains acutely negative. There is greater opposition to American music, movies, and television from predominantly Muslim countries, including Bangladesh, Pakistan, Turkey, Jordan, and Egypt. According to the Pew report, "in much of the world there is broad and deepening dislike of American values."

An opening perspective of anti-Americanism is "a disposition rather than a substantive set of beliefs or arguments" (Griffiths 2003). It is a general attitude produced by

a relationship between the target 'America' and its critics, no matter what foreign policy is under discussion.

Various elements may fuel this inflexible outlook on the United States. Griffiths asserts that there are four main characteristics of the United States that anti-Americans love to criticize. (1) Americans are narrow-minded, belonging to the most powerful country in the world and simultaneously knowing little about the world they lead. (2) The United States does not practice the ideals of freedom, human rights, and democracy that it preaches. (3) The United States acts unilaterally and disregards international organizations, international law, and responsibility to the global environment. (4) The United States uses its military overseas to dominate states that it autonomously dictates to be 'the axis of evil.'

Beyond foreign policy, however, Griffiths emphasizes that there are also emotive and pathological reasons for resenting the United States. He conjectures that even "if George Bush broke off relations with Israel, withdrew American troops from Iraq...and signed the Kyoto Accords whilst simultaneously endorsing U.S. membership of the International Criminal Court," anti-Americanism would continue. He argues that by simply being an economically powerful state with an active military, the United States is a convenient scapegoat for global problems.

This anti-American general disposition stems from exported images of America. *Foreign Policy Magazine* editor Moisés Naim, argues that cultural and psychological anti-Americanism stems from self-exported images of the U.S. In transmitting American television and commercial brands abroad, American culture has the capacity to replace local cultures. While appealing to billions of consumers, this cultural invasion simultaneously fosters angst and resentment among foreigners. Along with its vast empire of markets, anti-Americanism stems from "jealousy, resentment, ambivalence, and crushed expectations... the seductive allure of American capitalism, freedoms, products, and culture often coexists with ambivalence about them as economically or politically unattainable...this love-hate relationship can spark the most intense hatred" (Naim 2002, 103). Aggravation in developing countries is roused by access to media portrayals of about how much better Americans live. Furthermore, in displacing the local culture, Naim identifies various imposing American characteristics including "sexual permissiveness, drug use, gun ownership, the death penalty, intrusive marketing techniques, fast food, tolerance for economic inequality, racism, and high incarceration rates" (Naim 2002, 103). Now hated not only for what America does but also the people America represents, he emphasizes the need to better understand the 'simmering rage' against the U.S.

"The America they see in movies and on television is often the only one they know," claims Dinesh D'Souza, Rishwain Fellow at the Hoover Institution at Stanford and author of *The Enemy at Home: the Cultural Left and Its Responsibility for 9/11*. He agrees that perception of Americans via cultural media exports may contribute to anti-American sentiment. Although Americans recognize that U.S. pop culture does not represent the majority of its citizens, pop culture is what foreigners typically see in the media they import, dominating their perception of the typical American.

The freedoms that America values, including "profane language, salacious themes...and vulgarity," may infringe upon the freedom of other cultures to maintain their own faith and principles, particularly in the Islamic domain (D'Souza 2007, 2). Traditional

conservative societies around the world could view U.S. popular culture as morally repulsive, especially since it is one of America's top exports. Academia define 'cultural elitist anti-Americans' as foreign intellectuals who "reject the United States as culturally dominated by commercialism and crude popular tastes" (Katzenstein and Keohane 2005, 1). Many support this viewpoint that American entertainment is distasteful. *Wall Street Journal* writer George Melloan comments that Hollywood businesses currently create profit-driven content, sacrificing taste and quality for American audience-driven garishness. *New York Times* writer and economic advisor to the Bush administration, Todd Buchholz, agrees that Hollywood should reduce "the vulgarity of American cultural exports."

Despite widespread belief that U.S. films endorse a negative view of Americans, the existing work on anti-Americanism consists mainly of hypotheses. Most arguments for anti-American sentiment are based on abstract inference, not statistical evidence.

III. Research Design

Using numerical data, my study will analyze the effect of exporting American viewpoints through media on anti-American sentiment in foreign countries. The relationship between American media consumption and anti-Americanism is expressed in the following hypothesis:

Hypothesis: The more American entertainment a country consumes, the higher the degree of anti-American sentiment.

Null Hypothesis: There will be no correlation between a country's change in anti-Americanism and its consumption of American entertainment.

Dependent Variable: Anti-American Sentiment

To measure anti-American sentiment, I will use "the percentage expressing disapproval of the spread of American ideas" from the Pew Global Attitudes Project during the years 2002 and 2007. Chaired by former U.S. Secretary of State Madeleine K. Albright, *The Pew Global Attitudes Project* is a "worldwide public opinion survey" that "focuses on a broad range of subjects ranging from people's assessments of their own lives to the views about the current state of the world" (Pew Global Attitudes Project 2007, 1). The survey was conducted with more than 38,000 people in 44 countries in 2002, and more than 45,000 in-depth interviews in 47 countries in 2007. Following the September 11, 2001 terrorist attacks, the focus of this project was expanded in order to specifically collect attitudes toward the United States.

In the Pew Global Attitudes Project, there is a perplexing dissonance between countries approving of American media exports and simultaneously resenting the spread of American ideals. Over the past few years, trends show that while anti-American sentiment has risen, countries desire and consume more U.S. film and television. The Project specifically asked whether citizens of other countries believed it is "good that American ideas and customs are spreading here." As apparent in the negative trend from 2002 to 2007, the average percentage of each country that favors American ideas has fallen dramatically.

Independent Variable: Consumption of American Entertainment

I will use 2001 and 2006 data of U.S. exports of film and tape rentals from the U.S. Bureau of Economic Analysis as a measure of foreign countries' consumption of American entertainment. Data of U.S. exports provide a base statistic for each country that we can use for comparative purposes against the dependent variable anti-Americanism.

This data shows U.S. exports in the form of film and tape rentals by country destination over recent years. The 'receipts' from each country indicate how much its people paid over the given year for "the rights to display, reproduce, and distribute U.S. motion pictures and television programming abroad" (United States 2006, 2). It is a clear demonstration of how much American media a country consumes each year.

U.S. receipts increased nine percent to \$11.1 billion in 2006, and increased \$2.5 billion between 2001 and 2006. Simultaneously, U.S. payments of foreign film and television tape rentals fell nine percent to \$0.8 billion in 2006. This trend demonstrates a decline in box office revenue for movies produced by foreign motion picture companies. The amount that the U.S. pays for foreign movies is only a small percentage of what the U.S. receives for Hollywood movies. High demand for popular American movies abroad is unmatched by the small U.S. audience for less popular foreign films.

Methodology

U.S. film export data from 2001 and 2006 will be synthesized with data from the Pew Global Attitudes Survey in 2002 and 2007 to conduct a cross-sectional analysis. In each cross-section, I will use Pew Global Attitude data from one year after the film exports data were collected, as the year after the films are exported will be when the effect of the exports on the population is shown in the Pew Global Attitudes Survey.

Because researchers of the Pew Research Center compiled all their data at the country level, I matched as many countries as possible to see the correlation between changes in U.S. film exports and changes in anti-spread of U.S. ideas attitudes. Despite the data available for an array of countries in the U.S. Bureau of Economic Analysis, it was difficult to find the same countries that covered both variables. At the country level unit of analysis, I will have 14 data points for my 2001/2002 cross-section analysis, 17 data points for my 2006/2007 cross-section analysis, and 12 data points for my change between 2001/2002 and 2006/2007 regression.

A couple of potential confounding factors exist in this research design. For instance, wealthier countries with higher socioeconomic statuses may have a different reaction to U.S. media than countries with lower socioeconomic statuses. To control for all countries' socioeconomic statuses, I include the dummy variable 'membership to the Organization for Economic Cooperation and Development,' which represents countries that are developed enough to belong to the organization. Most member countries in the OECD are socio-economically advanced, accept the principles of a free market economy, and compare existing economic policies to answer common problems. Membership to OECD is represented by a dummy variable. The digit 1 represents a country that is part of OECD and therefore considered highly industrialized and digit 0 indicates that the country is not.

A further confounding factor is that other political and economic factors may contribute to the increase in anti-Americanism. Unpopular general U.S. foreign policy may

increase anti-American sentiment. In particular, the reaction to the Iraq War may have possibly increased anti-Americanism drastically in the majority of countries. To counter this attitude change towards Americans, I am conducting a pre-2003 cross-section of 2001 U.S. film exports and 2002 attitudes towards Americans. I will also compare either the increasing or decreasing trend of U.S. film and tape rental exports of a country to its change in attitudes concerning the spread of American ideas between 2002 and 2007. This third regression equation will investigate the change within a country from two cross-section analyses of the data, providing stronger evidence of correlation if both variables exhibit the same negative trend.

Empirical Specification

The econometric model shows the relationship between the independent variable (the number of U.S. exports of film and tape rentals to a given country) and the dependent variable (the percentage of a country that has a favorable view of the spread of U.S. ideas and customs). To control for rich/non-rich countries, I created a second independent variable OECD: the vector of the control variable. This has a separate relationship with y , and therefore has its own beta coefficient, β_2 .

I will conduct three ordinary least-squares (OLS) regressions. I will first run two separate cross sections to observe the correlation within a country between U.S. film exports and the anti-Spread of American ideals attitude. One cross-section is for the 2001-2002 data, and the other cross-section is for the 2006-2007 data.

I will then run a third regression on the difference between the two cross-sections 2001-2002 and 2006-2007. This regression will monitor the change in attitudes towards the U.S. with the change in the amount of entertainment consumed within a country. If β is positive for the third regression, then this is stronger evidence for the link between the two variables because the two variables would demonstrate correlation across the two time periods. This regression examines the difference in correlations across time, examining the change in anti-Spread of American ideals within a country over a particular five-year period.

$$(1) \text{ pos2007} = \beta_0 + \beta_1 \text{ ex2006} + \beta_2 \text{ OECD} + \varepsilon$$

$$(2) \text{ pos2002} = \beta_0 + \beta_1 \text{ ex2001} + \beta_2 \text{ OECD} + \varepsilon$$

$$(3) [\text{pos2007} - \text{pos2002}] = \beta_0 + \beta_1 [\text{ex2006} - \text{ex2001}] + \beta_2 \text{ OECD} + \varepsilon$$

$\text{pos}(\text{YEAR})$ = dependent variable: the percentage of a country that has a favorable view of the spread of U.S. ideas and customs during the given year

β_0 = intercept when the independent variable is 0

β_1 = the effect of the independent variable $\text{ex}(\text{YEAR})$ on $\text{pos}(\text{YEAR})$

β_2 = the effect of the control variables OECD on $\text{pos}(\text{YEAR})$

$\text{ex}(\text{YEAR})$ = independent variable: U.S. exports of film and tape rentals (in millions of dollars) to a given country during that year

OECD = control variable for OECD membership

ε = error

IV. Results and Discussion

Empirical results from this study show that no significant correlation exists between U.S. film imports and a country's belief that 'the spread of American ideals is bad for my country.' Contrary to popular opinion, this indicates that the media we export does not have a major effect on anti-Americanism.

The observed coefficients are statistically insignificant. Therefore, the data cannot accurately describe each variable's independent effect. The coefficient results from Regression (1) indicate that U.S. exports had a negative effect on U.S. favorability, while the coefficients from Regressions (2) and (3) indicate that U.S. exports had a positive effect on U.S. favorability. Even when I control for membership to the OECD, no conclusion about correlation can be reached from these statistically insignificant coefficients.

VI. Implications & Further Research

The results of my study imply that U.S. media exports do not affect anti-Americanism. One possible explanation for the nonexistent correlation is that the media could provide foreigners a familiarity with Americans, which counters dislike from fear of the unknown. Writer and UCLA professor Richard Walter from the WNYC Hollywood and the Spread of Anti-Americanism Debate argues that foreigners love American media, and that the real main reasons for anti-American sentiment are the Iraq War and U.S. foreign policy (Wellemeier 2006). Further commentary from American media critics should be based on empirical research instead of personal beliefs of the effect of U.S. entertainment. Perhaps there are repellent aspects to Hollywood entertainment, but the results from this study show that it does not influence the way America or Americans are viewed as a whole.

Because U.S. film exports are not correlated with anti-Americanism, this implies that there is neither a need to change our media exports nor a need to hold back our foreign distribution. These results reveal that Americans and speculating academia can accept that the distribution of Hollywood films as a strong export will not harm the American image. Although foreigners abroad state that they do not want American ideals to spread to their country, their actions of purchasing U.S. entertainment exports and instigating their circulation speak louder than their words. Until the actions of the foreign market demonstrate otherwise, the U.S. film industry can continue to produce and sell exports that foreign countries enjoy without concern for a detrimental effect to the American image.

An empirical study of the link between worldwide consumption of American media and anti-Americanism has not been conducted before. Therefore, it was difficult to find data to act as the independent variable for an accurate measure of American media consumption. The data I used had a limited number of countries that corresponded with the Pew Global Research surveys. This is a preliminary endeavor to statistically support or reject hypothetical claims about anti-American sentiment. Since perception of our country influences how foreigners respond to our foreign policy, further research on this topic would continue to contribute to the literature.

A research paper with a larger number of countries in the data set would provide stronger support for the conclusion of no correlation between the variables. In order

to further investigate the relationship between the two variables, a future study could use data that will be released in the near future by United Nations Educational Scientific and Cultural Organization (United Nations 2007).

Results from a survey launched in more than 200 countries and territories are scheduled for release in 2008 on the UNESCO Institute for Statistics website. These findings will generate a database of the distribution of feature films worldwide, providing global, regional, and national breakdowns of the numbers of national productions, co-productions, and foreign films. More countries from this survey would overlap with countries from the Pew Global Attitudes research, enabling further attitude trend comparison. Regressions from this larger data set would make a stronger argument for the lack of correlation found within this study.

To investigate the topic further, it would be ideal to collect more precise data for the independent variable 'consumption of American entertainment' by conducting original research abroad. A survey could be conducted at the household level unit of analysis measuring the amount of U.S. media in the form of television, radio, and internet that foreigners consume each day. This method would be even closer to accurately measuring the consumption of American media than the UNESCO website. In addition, a qualitative study could be conducted with in-depth interviews of families in foreign countries that frequently view U.S. media and families that do not view a lot of U.S. media. Qualitative analysis could observe whether or not a pattern of anti-Americanism occurs repeatedly in the families who frequently view U.S. media. However, this kind of survey would realistically be difficult to gather on a global scale.

VIII. Conclusion

The results from this study support the conclusion that U.S. film exports do not affect anti-Americanism. Despite speculation, there is no statistical evidence of correlation between consumption of American entertainment abroad and resentment towards the U.S. Future commentary linking these two variables should be based on further empirical investigation and less personal belief. With rising global anti-American sentiment, understanding its origins is increasingly important to the creation of U.S. foreign policy. If anti-Americanism continues to rise, factors other than cultural imperialism through our media and further empirical investigations of this issue should be explored.

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RENTIERISM AND REPRESSION

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This paper examines the effect of the oil market on political violence, effective repression, and political freedoms in rentier, or fuel-dependent, states. The repression thesis of rentier state theory claims that as states accumulate more oil wealth, and by extension more state power and free resources, their capacity to repress dissent and challenges to power improves. If challengers to the regime are expected to act strategically by engaging the government in large battles when it is weak and in smaller ones when it is strong, then we should see effective repression by the state in the same way a preventative measure is implemented. That is, when states have a high capacity to repress, the number of deaths and large-scale civil conflicts should retreat. This hypothesis is tested by seeing whether oil prices or increasing reliance on fuel exports has any marginal effect on effective repression and stifling of dissent. The data exhibited support for this relationship, which raises a number of questions in today's world of high oil prices, non-state actors, and asymmetric warfare.

I. Topic and Question

Reliance on oil rents and fuel exports for state revenue has been identified as a significant factor that paradoxically increases the likelihood that a state will experience civil war and the likelihood of a regime's survival in office. The 'repression thesis' of rentier state theory states that due to large sums of money that accrue directly to the state, governments are able to purchase the loyalty of a powerful repression apparatus to violently suppress any challenges to the regime's authority to control the state or oil wealth. With vast resources and coercive power, governments are able to deal quickly

and forcibly with all forms of dissent—peaceful anti-government demonstrations and full-scale civil wars alike—with force and speed. However, one significant problem with testing this theory is that repression functions similarly to a preventative measure; if a state is expected to be very good at repressing its people, then we should not expect to see those people rise up in the first place. Therefore, it is difficult to identify effective government repression unless it fails.

Ironically, rentier states have also been identified as being more prone to civil war and political violence than other states. This finding would imply that either the repression thesis is incorrect (fuel export rents do not make a state more likely to be a good repressor), or that there is another factor that emboldens political dissidents and/or weakens the relative power of the state repression apparatus against possible insurgents.

One such factor with which all oil rentier states must deal is the volatile nature of oil prices. Price fluctuation affects rentier state behavior in the same way that rapid periods of growth, financial crises, or other economic shocks affects other states' behaviors. However, since oil is a different percentage of each state's revenues, each state is subject to a different degree of price sensitivity. This introduces an interaction effect: state revenues, and by extension state power, is dependent both on oil prices and on the level of the state's reliance on oil. If state power is a product of this interaction, what are the marginal effects of each factor? Does the level of reliance have more of an effect on effective repression by the state, or is the price of oil more important?

If taken together, the repression thesis and the fluctuation of state revenue as a function of the oil economy and oil reliance present an opportunity to answer some of the questions about repression and rentierism. Can a connection between rising and falling oil rents and political repression in oil exporting states explain the fact that although oil-reliant states are more likely to experience civil war, they are also more likely to weather the storm? Are states that are more reliant on fuel exports better repressors than those who are only 'moderately' rentier? If state revenues are an indicator of the credibility of regime power to repress, then another question about governance in general is raised: is there a connection between the vagaries of the oil economy and political freedom in oil states?

II. Literature Review

The concept of the rentier state is an important facet of Middle Eastern studies literature, primarily because so many oil states are located in the region. *The Rentier State* by Giacomo Luciani and Hazem Beblawi explains that in lieu of other economic activity, the state doles out the proceeds from oil rent to citizens to buy public loyalty.¹ Because the oil is government controlled, they are effectively buying themselves freedom from societal demands and challenges for political and economic reform.

Since then, Michael Ross (2001) has shown statistically that oil states do tend to be non-democratic, and that oil wealth can in fact retard or halt democratic transition. He tested a "rentier effect," a "repression effect," and a "modernization effect" as possible explanations.² While he found all three to be significant, his repression effect, which was measured simply by military expenditure per GDP and mobilization of the population for the army, was less significant than the other two. Unfortunately, this does not put the repres-

sion thesis to rest, as military size is not necessarily correlated with its use against civilian populations.³ In fact, many oil states, especially in the Gulf region, maintain large armies and spend heavily on armed forces because of the local security situation and pressure from the United States. Also, repression often comes in forms other than the traditional military, such as paramilitary security forces in Iraq and Iran and religious police in Saudi Arabia.^{4,5}

Civil war or the lack thereof is also associated with levels of repression. The impact of resources (including oil) on civil war was examined in a much-lauded article by Paul Collier and Anke Hoeffler (1998). They found that resource rents had a parabolic effect on civil war onset and intensity: increasing reliance on resource rent increases the likelihood of civil war up to a point, after which that likelihood drops off again.⁶

In his work, James Fearon (2003, 2005) finds that of resource-reliant states, only oil-reliant states are more prone to civil war.⁷ He also shows that the effect is logarithmic rather than parabolic: increasing oil reliance increases the chance of civil war onset, but at a diminishing rate. Fearon was right to include an analysis of the level of rentierism, as it had a discernable affect on the incidence of war. Unfortunately, neither of these two studies addresses the issue of rising and falling state revenues as a function of the oil economy, even though they concern themselves with explaining the power of states vis-à-vis insurgents. Changing oil prices would affect availability of state resources dramatically, which in turn would affect their relative power. Also, both sets of studies focus on major civil wars, those causing at least 1,000 deaths overall. If it is true that effective repressors either do not face large scale threats or manage to defeat them while they are still small, then it will be important to include much smaller, asymmetric battles such as government-perpetrated killings and massacres on the one hand and the asymmetric warfare of rioting on the other.¹ That way, we can see whether there are cases of anti-societal violence perpetrated by the government or insurgents that reflect varying degrees of state vs. insurgent power. Therefore, although these studies are important for understanding how oil states behave with respect to non-oil states, they are not effective in explaining the mechanism within oil states that creates the balance of power between the state and society.

Regime stability, another characteristic of rentier states, can also be associated with repression. That rentier state governments are long-lived was first established through case studies on Middle Eastern oil rentier states.⁸ This was empirically demonstrated by Benjamin Smith (2004) who showed that “[o]il dependence exerts a robust and significant negative effect on the likelihood of regime failure.”⁹ Smith, utilizing “rent seeking” and “greed” factors in his research on rentier effects and repression effects of oil, found that due to robust authoritarianism throughout the oil bust years and a lack of intense civil wars, neither the rentier effects (patronage) nor greed effects (“oil-as-spoils”) had a significant influence upon regime stability. Interestingly, Smith also finds evidence that oil wealth actually makes civil war and anti-state protest less likely and, when it happens, less severe. This effect is maintained even when oil prices decline. Finally, although he claims that variation in oil price effects low reliance states less than high reliance ones, he does not include an

i Fearon (2003) even goes so far as to exclude all cases in which significant numbers of government soldiers are not killed so as to avoid including government massacres.

interaction term that takes into account both the level of reliance and whether or not the year was an economic boom or bust.

In *International Relations of the Middle East*, Luciani recognizes the international oil economy’s significant impact upon the political and economic dynamics of rentier states.¹⁰ As a result of the increasingly globalized economy, Middle Eastern rentier states have been forced to introduce some kind of reform in order to meet the demands of free trade and the global oil market. However, if the price of oil were to increase significantly, “the incentive to reform in the rentier states might quickly evaporate.” Similarly, if the price were to drop dramatically, “the rentier states might experience serious short term budget difficulties...Instability might then become acute, which is unlikely to be the most favorable condition for economic and political reform.”¹¹ This presents us with a testable hypothesis: Have oil price changes affected the budget and power of rentier states in the past in such a way that it altered their relationship towards society? In order for Luciani’s predictions to be correct, there must be some empirical link between prices and state power.

Finally, in a study based on Selectorate Theory, Bruce Bueno de Mesquita and Alastair Smith discuss the effects of free resources (one of which is oil) on leaders’ responses to revolutionary threats.¹² Their finding is that these resources work in primarily the same way to counteract credible revolutionary threats, that is, to decrease freedoms (what they call “core goods”) and public goods (because they may aid rebels). Their work shows that free resource access has no significant relationship with freedoms when leaders do not face a revolutionary threat, regardless of polity score. This finding suggests that the effect of oil on freedoms is only negative after the expectation of effective repression has been broken and rebels have ventured out to protest. In other words, if would-be revolutionaries expect to be defeated in an armed conflict with the state, the state does not have to restrict their civic freedoms as much because it will have little to fear from them. Therefore, if oil prices positively correlate with effective state repression, then some measure of civic freedom will positively correlate with oil prices as well.

III. Hypotheses

Authors have consistently failed to identify good measures of repression, as it is fully captured by neither military expenditures (if so, the U.S. would be the world’s most repressive government), nor polity scores. Furthermore, neither civil wars nor large armed conflicts alone can capture this relationship because rebels are not expected to fully mobilize if the state has a large repressive capacity. Finally, authors fail to make a distinction between times of heavy reliance on fuel exports and times in which oil constitutes a smaller segment of the economy. Therefore, more representative factors need to be used.

States that rely on fuel exports are directly reliant on the global fuel economy—a good indicator of which is oil prices—for government revenue. States who are more reliant on oil, *ceteris paribus*, get more power from the oil market than states that are less reliant.

Therefore, changes in oil prices and fuel reliance should create some changes in the internal conditions of oil states:

Hypothesis 1a: Increases in oil prices have a negative marginal effect on violent opposition such as civil war, uprisings, and other indicators.

Hypothesis 1b: Increases in fuel reliance have a negative marginal effect on these indicators.

As oil prices go up, more revenue accrues to the state. According to the rentier state paradigm, the coercive power of the state is strengthened during these periods. Conflicts move along the inversely related continuum of resistance from large-scale, civil wars into small-scale guerilla wars. Therefore, we should see indicators like the number of battle deaths per year fall even though guerilla wars may persist or even grow more common as insurgents are forced to resort to asymmetric tactics to combat an increasingly powerful state. Likewise, as oil prices go down, the state is weaker relative to society, and violent opposition has opportunity to attack in force. Since rebel financing is not positively correlated with increasing oil wealth, falling prices would weaken the power of the state and the credibility of state repression while leaving the strength and resources of rebels largely untouched.¹³ This relative change in power increases the probability that political resistance will achieve insurgent objectives. This increased probability of success will translate into more severe and frequent incidents of political violence as insurgents experience increased opportunity and the state has an increasing imperative to respond.

Reliance on fuel exports is a measure of what level of rentierism the state is in. We expect large revenues from free resources to correspond with expanding state power, consequently expanding credibility of repression. This would mean that as states become more fuel export reliant and receive more free resources from the oil economy (regardless of prices) they would also experience fewer deaths from civil conflict. Although rebels may take their fights into asymmetric, guerilla warfare, the scale (by number of deaths) of these fights should decrease.

Alternative Hypothesis 1a: Increases in oil prices have a positive marginal effect on violent opposition such as civil war, uprisings, and other indicators.

Alternative Hypothesis 1b: Increases in fuel reliance have a positive marginal effect on these indicators.

These alternative hypotheses represent the logical conclusion of the current expectations of the repression effects part of rentierism theory. Current wisdom indicates that as the state becomes enriched through oil wealth, either through windfall profits from prices or a shift towards more oil reliance, it becomes independent of society; therefore such 'weak institutions' allow rebels, insurgents, and others to gain support for their attacks.¹⁴ However, if a state was successfully repressive, then we would not expect malcontents to publicly rise up as oil revenue and reliance increase because they would have decreased chances of success. They would start forming their insurgencies and continue low intensity, asymmetric conflicts while oil prices are rising, but would recognize the risk of an all out violent attack when the government is strong.

Hypothesis 2a: Increases in oil prices have a negative marginal effect on political freedoms.

Hypothesis 2b: Increases in fuel reliance have a negative marginal effect on political freedoms.

This reflects the argument that one of the ways that states provide a credible threat of repression is by curtailing political freedoms such as freedom of the press, freedom of assembly, and others.¹⁵ A period of rising oil prices increases the regime's coercive and policing capabilities, thereby reducing the likelihood of any anti-state criticism. The press can be shut down through censorship and government-sanctioned press. Removal of assembly rights would mean strikes and protests would be easily dispersed, reducing the likelihood that they would happen in the first place.

Conversely, when oil rents decline, states lose their grip over the media and other established organizations. Dissidents in all of these groups are more likely to get away with criticism of (or violence against) the regime during periods of falling oil prices than when oil prices were increasing the regime's penetration and suppression of their groups. Thus, as states gain control over the economy, income and financial resources, and more control over society through organizations and companies that make up the fuel export sector, we expect the latitude citizens to have to speak up against the regime to decline. Similarly, as fuel export reliance decreases, we expect those processes to reverse, resulting in a reduction in the level of control the state has over society, and a resulting increase in freedom of expression, assembly, and other civic rights.

Alternative Hypothesis 2a: Increases in oil prices have a positive marginal effect on political freedoms.

Alternative Hypothesis 2b: Increases in fuel reliance have a positive marginal effect on political freedoms.

If Bueno de Mesquita and Smith are correct when they posit that oil reliance is positively correlated with the repeal of political freedoms only when faced with a revolutionary threat, then we should expect to see oil prices correlated with political freedoms in oil states. 'Credible revolutionary threats' in our model are expected only when oil prices fall and a fuel-export reliant regime experiences a relative decline in power vis-à-vis violent challengers. Regime leaders should then remove political public goods—freedoms—that insurgents can utilize. These political freedoms should return when revolutionary threats recede. As the oil economy generates more income for the state, its relative power increases, and restrictions on freedoms are not necessary to produce a credible threat of violent, active repression. Rather, the state can rely on the persuasiveness of its relative clout to dissuade potential challengers.

This logic runs counter to the current expectation of rentier state theory that expects increasing reliance on fuel exports to allow such states to consolidate their hold on power and suppress criticism that would result from political freedom.¹⁶ If this hypothesis were confirmed, it would indicate that the more fuel export reliant a state is, and the more

states access to free resources they have, the more they can afford to tolerate of some degree of freedom since it will not affect the relative power of their regime.

IV. Data Description

Treatment Variables

Change in Oil Prices over time: American Energy Information Agency Refiner Acquisition Cost of Imported Crude Oil (IRAC), adjusted by the GDP inflator¹⁷

World oil prices are a function of both market and non-market forces such as wars, business cycles, and OPEC cartel decisions. Other than OPEC decisions (which will be discussed in the section on confounding variables), these are more or less exogenous factors that all oil dependent states must adjust to as prices fluctuate. For the period before the EIA started collecting data, the official price of Saudi Light Crude (GDP inflator adjusted) will be used, which begins in 1970.¹⁸ Before 1970, individual buyers and sellers set oil prices privately, so we will use WTRG Economics' estimate for the 1960's of \$3 per barrel.¹⁹

Fuel Export Reliance: Fuel Exports as a Percent of Merchandise Exports: World Bank World Development Indicators²⁰

In order to establish how the oil market affects rentier states, a clear, operational definition of rentier states is necessary. For the purposes of this study we will use Fearon's operational definition of any state in which fuel exports constitute a third or more of total merchandise exports, using data compiled by the World Bank. However, we are not convinced that the magnitude of fuel reliance ceases to have effect after having made the initial cut of 40 independent states that have at one time since 1960 have reached this rentier state threshold. Therefore, this study will include all country-years for all states that have at one time crossed that one-third mark. Fuel reliance (*fuelr*) will also be included as a treatment variable, and an interaction term (*fuelint*) will be added to help clarify the relationship between oil prices, fuel export reliance, and the dependent variables.

Dependent Variables

Effective Repression

If a state has an 'effective' repression apparatus, conflict is unlikely to take place ex ante due to rational expectations of successful actions. Therefore, by examining a number of factors indicating high levels of political violence, we can see if and when effective repression by the state broke down enough to give insurgents opportunity to attack. These measures include:

1. Civil War: UCDDP/PRIO Armed Conflict Dataset: All conflicts with 25+ deaths²¹
Within the model's framework, civil wars indicate significant breakdowns in effective repression. Although previous studies of repression

have tended to focus only on large-scale civil wars, this model uses UCDDP data in an attempt to include low-level conflicts that do not spiral out of control. These battles are ones in which the insurgency quickly folds, or puts away their guns to wait and fight another day. In order to gauge both the severity and nature of such conflicts, we will use the UCDDP measure of the best estimate of battle deaths per year per country. Unfortunately, some conflicts, such as that between Iran and Kurdish rebels, or Algeria and Islamists in the sixties, do not have 'best measures.' In cases where there is no best measure, we will substitute the upper bound of the deaths estimate.

2. Guerilla War: Cross-National Time-Series Data Set²²
This dependent variable illuminates the nature, location and timing of state-society conflicts, and whether or not insurgents are fighting asymmetric wars.
3. Military Mobilization per Capita: CNTS Data Set²³
While we do not believe a large military is sufficient in order to be a highly repressive state, it is a good indicator of state power. Therefore, we expect this measure to increase, rather than decrease, as oil prices and fuel export reliance rise.

Political Freedom

Political freedom is notoriously difficult to measure. However, our model expects that inflated oil prices reduce the necessity of states to repress civic freedoms in order to maintain a credible threat of a sufficiently violent, repressive reaction to challengers. Therefore, we must think of measurements of freedom that would reflect non-violent ways in which citizens (even insurgent ones) could exercise some civic freedom without giving the state cause enough to bring out the military or riot police.

1. Newspapers/Radios/TVs per Capita: CNTS Data²⁴
Measurements of "press freedom" are either time-limited or anecdotal, which presents a problem for measuring the quality of journalism or the level of dissent in newspapers. However, the data set has a fairly comprehensive measure of how many newspapers, radios and TVs are respectively read, listened to, and watched; a fair measure of basic access to news.
2. Riots of 100+ people: CNTS Data Set²⁵
These events represent extreme breakdowns of the expectation that social protest will be violently repressed and unsuccessful. These instances show that people were confident enough in their strength to initiate action. As a result, we should expect their number to decline as states accumulate more oil wealth, and consequently a higher credible threat of repression.
3. General Strikes of 1000+ workers or more: CNTS Data²⁶
Another way that a state could alter the level of civic freedom in a country is by changing the laws of assembly, including rights of workers to

strike. A decrease in general strikes in a country would indicate either a work force that is very satisfied with its benefits or that worker's rights to assembly and dissent have been reduced. One complication with this value is that as countries rely more on fuel exports, their economy becomes more capital intensive. A decrease in general strikes as a country becomes more fuel-export reliant may be attributed to the number of workers in the industry. However, this possibility is mitigated by the fact that as the oil economy in a country grows, more migrant workers are required to provide the labor to build the new infrastructure. Overall, we expect that the frequency of strikes is more likely to be an indicator of political freedoms.

4. Peaceful Anti-Government Demonstrations of 100+ people: CTNS Data²⁷

If rentier state governments are confident in their state power, it is feasible that they may allow peaceful demonstrations to go on. Should this variable prove to be significant and positively linked to oil prices, it will betray a soft spot in rentier regimes that has not as yet been identified.

Confounding Factors

Regime Type: Polity 2 Scores²⁹

Democracies and autocracies behave in different ways with respect to the amount of repression in their governments. To eliminate this effect and concentrate on oil, we will control for polity score. However, since most oil states are fairly non-democratic in the first place, the effect should be minimal.

OPEC Membership: OPEC list of members, joining years, and suspension years³⁰

The ability to control prices has an effect on price and subsequently, possibly an effect on repression. States may reduce or increase prices to meet domestic needs, which may include additional funds to enhance the repression apparatus. Therefore, it will be interesting to see the effect OPEC membership has on a state's reaction to oil price fluctuations, since they, in theory, have some power over the price itself. However, because we will only be looking at change within countries and not across countries, this variable will only take effect if a state becomes a member of OPEC or has their membership suspended in the time interval between 1960 and 2006. If there is a change in OPEC membership during that period, the effect that change has will be controlled for.

V. Model Specification

Although we are seeking to understand the linear relationship between the oil market and repression, there are a number of characteristics of this research design that make a simple OLS regression inadequate. First, because our hypotheses of the impact of oil prices on effective repression are conditional upon the level of fuel export reliance, simple OLS regression alone is not sufficient to explain the marginal effect of a change in

oil prices on effective repression. Rather, because oil prices and fuel export dependency interact with each other to affect state revenues from oil (and thus effective repression in our model), we will need to utilize an interaction term and an interaction model in order to fully understand the marginal effect of either changes in oil prices or in fuel export reliance on effective repression measures. In their 2005 paper, Thomas Brambor, William Roberts Clark, and Matt Golder explain that when one seeks to analyze the marginal effect of variable X on Y conditional on Z, an interaction model is necessary.³¹ The second peculiarity of our model is that oil prices do not change across countries in a given year. All countries who are reliant on fuel exports for export revenues must deal, to more or less the same degree, with the global oil market as represented in our model by oil prices. Therefore, standard, cross-country OLS regression will not fully reflect the true level of variance among the variables. Rather, it will show us that there is little to no change in a given year across countries because there is no variance in a major dependent variable, oil price, across countries in that given year. To eliminate this problem—as well as many of the problems that arise from comparing states of various ethnic makeup, religious mosaics, regions, terrain, and other variables that change very little over time—we will include a dummy variable for each individual country in order to create a fixed effects within country analysis. This will examine the relationship between the independent and dependent variables within countries, instead of across them. We will then examine the marginal effects of oil prices and fuel reliance in relation to a 'baseline' country, for which we will choose Saudi Arabia.ⁱⁱ

The model specifications for this paper are:

$$Y(\text{Measure of Effective Repression}, t) = \alpha + \beta_x(\text{Oil Price}, t) + \beta_x(\text{Fuel Export Reliance}, t) + \beta_x(\text{Interaction Term}, t) + \beta_x(\text{Regime}, t) + \beta_x(\text{Population}, t) + \beta_x(\text{GDP}, t) + \beta_x(\text{OPEC}, t) + \beta_x(\text{country1}, t) + \beta_x(\text{country2}, t) + \dots + \varepsilon$$

$$Y(\text{Measure of Civic Freedom}, t) = \alpha + \beta_x(\text{Oil Price}, t) + \beta_x(\text{Fuel Export Reliance}, t) + \beta_x(\text{Interaction Term}, t) + \beta_x(\text{Regime}, t) + \beta_x(\text{Population}, t) + \beta_x(\text{GDP}, t) + \beta_x(\text{OPEC}, t) + \beta_x(\text{country1}, t) + \beta_x(\text{country2}, t) + \dots + \varepsilon$$

where the "Interaction Term" is *Oil Price*Fuel Reliance*.

VI. Results

After running a 2500 simulation with Clarify, we found the average marginal effect of a change from the mean oil price (around \$26) to a price one standard deviation above the mean (about \$44) to be about -616. This means that on average, the marginal effect of a rise in oil prices from the mean to one standard deviation above the mean is to

ii There is no specific reason to choose one country over another for this baseline measure. The country will be included in the model, and the purpose of such as choice is simply to help clarify the results. We chose Saudi Arabia because we are familiar with the dynamics of the country, including the patterns between dissent and the oil economy.

lower the yearly number of battle deaths by 616 people. The standard of error is about 284, so while the result is significant at the 95% confidence level, the marginal effect has a great range. The findings support Hypothesis 1a, that a positive change in oil prices is negatively related to the level of political violence in a given rentier state. As the price of oil rises and states have access to an increasing amount of free resources, and the shift in the balance of power results in fewer battle deaths per year.

On the other hand, although the marginal effect of an increase in fuel reliance from the mean to one standard deviation was negative, this result was not significant at the 95% level. A possible explanation is although oil prices have a negative and significant effect on battle deaths, the magnitude of this effect changes as the state becomes more reliant on oil prices. Looking at the data, although the marginal effect of oil prices on battle deaths becomes increasingly negative at high levels of rentierism, this effect only becomes statistically significant once the state's percentage of fuel reliance reaches the low eighties. This would indicate that although there is a negative marginal effect on increases of oil price, it is only really in the 80% and onwards range that we see the oil market become a statistically significant variable. Rentier states are frequently over the 80% level, which allows the marginal effect of oil prices overall to be both negative and significant, even when we are not restricted to only country-year observations with 80% reliance and over.

If civil wars and violence in rentier states cause fewer deaths per year as a country becomes more dependent on exporting oil, then where do all the insurgents and rebels go? The marginal effects of raising oil prices and increasing fuel reliance are both positive and significant at the 95% level with respect to guerilla wars. This result suggests that although increasing oil prices lowered battle deaths (and to a less significant effect so did increasing fuel reliance), insurgents then take their fights underground. Unlike other theorists who discuss the 'cooptation' effect of oil wealth and rentierism, we expect these rebels to shift their tactics to include more asymmetrical, low-level conflicts that do not risk critical repression and losses.³²

Revisiting of the measures for mobilization of the population into the military shows that both increases in oil prices and in fuel reliance have a positive effect on military mobilization per population. This qualifies Ross's 2001 findings that military mobilization had no effect on the democratization of rentier states. As oil prices and rentierism increase, state power increases, and when taken together in decreasing incidence of battle death and insurgents favoring guerilla wars, there is a connection between military mobilization and the rentier state's capacity to repress.

VII. Conclusion

Overall, these results confirm our first set of hypotheses, 1a and 1b, and refute our alternative hypotheses. They also offer some insight into the paradox identified in the beginning of the paper that was uncovered by authors such as Fearon (2005), Smith (2004), and Ross (2001) that oil states were simultaneously long lived, autocratic, and more prone to civil war than other states. The root of all these effects is the volatile nature of the oil market. In times of financial crisis, the power of the state weakens and insurgents and rebels can seize the opportunity to attack. This exposes these states to more violence, and more

civil wars. However, as the oil price recovers, the state gains more power to suppress these uprisings, and as a result they withstand crises and increase their longevity.

Unfortunately, our measures of political freedom turned out to be less significant than our measures of effective repression. Neither our measure of peaceful anti-government demonstrations, our measure of general strikes, nor our measure of riots were able to confirm or deny any of our hypotheses. The marginal effects of oil and rentierism on them were, respectively, positive, negative and positive yet none of these results were significant. Interestingly, although the marginal effects of both oil price and rentierism were negative for newspapers per capita, radios per capita, and televisions per capita, the effects were only significant for radios and televisions. The marginal effect of an increase in oil price was -0.078 television sets per capita and -0.06 radios per capita. Likewise, the marginal effect of an increase in rentierism was -0.11 television sets per capita and -0.1 radios per capita. While these effects seem rather small, a theoretical country with a population similar Saudi Arabia (about 23,680,636 in 2006) would actually lose about 1,847,089 television sets if oil prices rise from the mean to a price one standard deviation above the mean, even though one may expect an increase in oil wealth to yield more prosperity, and thus more televisions. These are very interesting findings, and they suggest that although we may not have enough evidence to affirm hypotheses 2a and 2b, we do see a trend that would reject alternative hypotheses 2a and 2b. However, these measures are hardly adequate measures of true media repression, and our measures of freedom of assembly were insignificant as well. As better data develops, a stronger relationship could be established.

This study also raises a number of questions on the state-perpetuated violence aspect of the rentierism issue. For example, the regression showed the number of battle deaths decline as oil prices and rentierism rise, even though the number of asymmetrical conflicts may well increase. In our current age of terrorism and asymmetrical warfare, a good study of the effect of rentierism on terrorist activity, recruitment, and targeting would add a great deal to our understanding of civil conflict.

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Spring 2008, Volume III

STATEMENT OF PURPOSE

The Journal of Politics & International Affairs is a student-run organization founded on the belief that genuine intellectual discussion by students is a positive contribution to the academic discourse at-large. *The Journal's* editors select respected academics to headline each issue with an article their choosing. The remaining published articles are written entirely by students in order to offer a proper forum for aspiring academics, politicians, philosophers, journalists, and historians. *The Journal of Politics & International Affairs* intends to partially satisfy the definitive need for this forum, appreciating the student contribution as not only legitimate and positive, but also crucial to the development of the intellectual growth of students at New York University and of students nationwide.

CONTRIBUTIONS

The Journal of Politics & International Affairs will consider proposed or completed unpublished articles of any length that concern domestic politics, international affairs, or derivative subjects for publication. Proposals should be submitted via e-mail at **jpia.club@nyu.edu**.

NOTES

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Sponsored by the New York University Office of Student Activities, the NYU International Relations Department, and Dean Matthew Santirocco.

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