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## POLICY BRIEFING

MICROCON Policy Briefing 2

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People queuing to apply for government work in Mumbai © Jaideep Gupte

•How can policymakers reduce and prevent civil unrest in highly unequal societies?

•What are the medium term effects of redistributive transfers on unrest, compared to policing?

## Tackling Civil Unrest: Policing or Redistribution?

**Summary:** There is much evidence to suggest that economic and social factors are major causes of civil unrest. However, governments often resort to the use of police and military to tackle such upheavals, rather than using policies that directly address the causes of discontent. This briefing uses data from India to compare the effectiveness of redistributive transfers and policing in reducing conflict. It finds that transfers have a significant effect on the prevention and reduction of civil unrest, particularly in the medium term. While policing reduces conflict in the short term, the continued use of police has either inconsequential effects, or even leads to increases in rioting. These findings have important lessons for other countries where social cohesion breaks frequently, but large-scale conflict may be avoidable.

### 1. Introduction

Whilst there is a large academic literature on the causes of civil conflict, it does not offer much policy application in terms of what can be done to prevent the onset of conflict episodes. It also focuses mainly on large-scale civil wars, which neglects the destructive nature of more localised conflicts and social upheavals, which can often constitute the preliminary stages of more violent conflicts.

There is much evidence to suggest that economic and social factors contribute largely to the onset of civil unrest. Nevertheless many

governments tend to resort to the use of police and military forces to tackle civil and political upheavals. This can be counterproductive as it does not address the causes of unrest when population mobilisation is rooted in perceived forms of social injustice. In addition, the continued use of coercive force by security forces may cause resentment and further mobilisation that can increase the risk of the escalation of unrest.

Policies that directly address the causes of social discontent are likely to be more effective. They have been used in Europe since the first

social insurance systems implemented at the end of the 19th Century, starting in Bismarck's Germany in 1880. Such programmes were a response to demands from workers movements fomented by the Industrial Revolution, and were seen as a way to keep class struggle under control.

Theoretical models have highlighted the importance of contemporary social policies and redistributive transfers in ending and/or preventing civil wars. However, little is known empirically about their impact on conflict, how different types of civil unrest respond to such poli-

-cies, and how effective they are in relation to the use of security forces. This briefing seeks to address this gap by comparing the use of redistributive transfers to the use of police as a tool for reducing civil unrest.

The term 'redistributive transfers' is used here to refer to transfers that benefit those in need without distorting private investment decisions and harming economic growth. Such policies shift income from the rich, or the whole population, into the accumulation of wealth and human capital by the poor. These might include programmes of public employment, investment in basic education and primary health care, food security programmes and so on.

## 2. Inequality and unrest

In unequal, highly polarised societies in social, economic and political terms there is often a small elite that is to be found amongst the better-off strata of society and in the state apparatus. The remaining population is often characterised by limited access to social, economic and political opportunities. Inequalities between the two groups that result from differences in access to opportunities lead to social discontent amongst the disadvantaged, and consequently to conflicts between the two groups.

tagged populations, leading to conflict. This propensity to resort to violence might also be affected by a population's 'inequality aversion' – if they are highly averse to inequality existing in society, this can make unrest more likely.

In a well-functioning democracy or an efficient dictatorship it may not matter whether the elite group uses policing or transfers to reduce conflict. In a democracy, everyone votes over the optimal levels of taxation – therefore the higher the level of inequality, the higher the preference of the average voter for taxation. In a dictatorship, those at the top will be powerful enough to exclude other groups from any decision-making process. Consequently, only a minimum level of transfers will take place.

However, in many developing countries that are neither high-functioning democracies nor efficient dictatorship regimes the only way to decrease conflict in the long term is to reduce inequality. Elites must take into account that disadvantaged groups may be able to engage in conflicts and therefore have bargaining power in the decision-making process. By instigating unrest, these groups are thus able to influence the welfare of elites, through destroying property, increasing in-



Street in Nagpada, a deprived district of Mumbai © Jaideep Gupte

on a number of factors including the economy's potential to attract national and international investment, its endowment in natural resources or on how mobile capital is (which allows elites to send capital abroad and avoid the costs of conflict). Once policing is no longer affordable, either the elite compromises and sets a system of transfers in place, or unrest will become unmanageable and widespread fighting, and potentially war, may erupt.

## 3. Policing and transfers in India

India is in a similar situation to many societies in the world, which are prone to civil unrest but are not (yet) affected by widespread conflict. There have often been conflicts between India's diverse religious, social and political groups, but despite this violence there has not been widespread fighting. India has a strong police force, but also a well-functioning democratic system that responds fairly effectively to demands by its different groups.

An important institutional form of conflict management is the federal system of government. India is di-

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## The use of coercive means to quell unrest can cause discontent amongst disadvantaged populations

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The dominant group has to choose how to manage the conflict using 'stick or carrot'. Policy-makers tend to resort to the use of police or military force to offset episodes of unrest, rather than redistributive transfers which directly address the causes of social discontent.

The use of coercive means to quell unrest may be effective in the short term, but in the long term it can cause discontent amongst disadvan-

vestment risks or directly affecting the lives of elites in other ways. This interdependency often results in redistribution.

In the absence of systems of redistribution, the immediate use of police has to be very large or very efficient. If the elite group has little to lose and can sustain indefinitely high levels of repression, then this strategy may be feasible. Sustainable increases in policing will rely

vided into 25 states, each roughly representing one dominant ethno-linguistic group. Although such groups are divided into different castes and religions, federalism allows the compartmentalisation of conflicts in contained borders, and they rarely spill into neighbouring states.

The electoral system also makes a positive contribution, as ethnic and regional conflicts tend to ease when leaders deal with them by accommodating demands from different factions, and use their bargaining power within the democratic process.

As with any other country, the Indian government often intervenes in the mediation and resolution of conflicts with a mix of 'carrot' and 'stick' approaches – with redistributive transfers and policing.

#### 4. Empirical analysis

By looking at published data on the use of police and transfers between 1973 and 1999 in 14 Indian states, we can get an empirical feel for these mechanisms. Table 1 reports the coefficients of correlation between, respectively, transfers and rioting, and the use of police and rioting. The variable for transfers includes the annual expenditure per capita in education; medical, public health and family welfare; welfare of scheduled castes, tribes and 'other backward classes'; labour welfare; social security and welfare; and nutrition.

This descriptive look at the data shows that the use of police is weakly correlated with the occurrence of riots in India, particularly in the longer term. Transfers seem to have a more significant impact on the reduction of unrest across states. The correlation is almost always nega-

tive and statistically significant.

An analytical approach to this data is more revealing. Such an approach controls for a range of other factors that have been shown to contribute to the onset of conflict. These include the extent of poverty in the country and across groups, looking at both aggregate poverty levels and poverty levels disaggregated by urban and rural areas; the level of overall state income; and the level of education in each state. In our analysis, two national-level variables were also included: firstly, the openness of the Indian economy. This was included as economic liberalisation has been put forward as a potential cause of civil unrest, since it may result in some groups benefiting while others become worse off. Secondly, the effects of political institutions on conflict was included – civil unrest may be affected by how well or how badly social and political institutions operate.

The results of econometric modelling that takes account of these

factors shows that higher levels of redistributive transfers are associated with decreases in civil unrest across India. This effect is particularly significant in the long-term: the number of riots decrease by 0.3-0.4% for each extra rupee per capita spent on social services in the same period, but by 10.5-12.1% for every extra rupee per capita spent on social services in preceding period.

Policing is also found to decrease civil unrest in the same period that it is used. However the use of policing tends to increase civil unrest in subsequent periods. Our calculations show that on average across the 14 states, India needs to hire 20 more policemen in order to have one less riot per year. Conversely, every additional 25 policemen used in each period will result in one additional riot five years later.

The average entry salary for a police officer in India in 2004 was around Rs. 8000 per month. This makes policing a rather expensive way of dealing with riots. The 'repression

Correlation Coefficients for Rioting in India 1973 - 1999			
	Transfers lagged by one period	Police same period	Police lagged by one period
Andhra Pradesh	-0.884***	-0.634**	-0.409*
Assam	-0.766***	-0.507*	-0.270
Bihar	-0.464***	-0.179	-0.215
Gujarat	-0.053	-0.467**	0.487***
Karnataka	-0.556**	-0.173	-0.295
Kerala	0.215	-0.593**	0.288
Madhya Pradesh	-0.771**	-0.065	-0.461**
Maharashtra	-0.026	-0.214	-0.345
Orissa	-0.775***	-0.049	-0.067
Punjab	-0.413**	-0.543**	-0.746***
Rajasthan	-0.001	-0.883***	-0.039
Tamil Nadu	-0.655***	-0.408*	-0.359
Uttar Pradesh	-0.976***	0.435**	0.503*
West Bengal	-0.958***	0.244	0.285
India	-0.457***	-0.205	-0.150

**Table 1**

Source: Justino 2007

Note: \*\*\*, \*\* and \* indicate, respectively, statistical significance at the 1%, 5% and 10% level

threshold' we witness here may be partially due to the heavy-handedness of policing at times.

## 5. Conclusion

These results suggest that the level of redistributive transfers across India has been sufficient to avoid the escalation of civil unrest. Whether intentional or not, and despite the small amounts spent, transfers have had a significant impact on the prevention and reduction of civil unrest in India, particularly in the medium term. The use of police is less successful and more costly. While it reduces conflict in the short term, the continued use of police has either inconsequential effects on civil unrest or is associated with increases in rioting.

The results of this analysis yield important lessons for other countries where social cohesion tends to break frequently but large-scale wars may be avoidable. Some countries in Latin America, such as Brazil, Mexico and Peru, have exhibited a combination of high income inequalities (much higher than India's) and high potential for socio-political conflict, while other countries have shown signs of deterioration of previously successful social development policies (for instance, former Soviet Union republics). This can result in increases in civil unrest. The implementation of adequate programs of redistributive transfers may have an important role to play in the establishment and/or maintenance of stable socio-political environments in those countries.

## Endnotes

1. For more detail on this empirical analysis see Justino, P. 2007. Carrot or Stick: Redistributive transfers versus policing in contexts of civil unrest. MICROCON Research Working Paper 3, Brighton: MICROCON

## Credits

This Policy Briefing was written by Patricia Justino, MICROCON Director, Research Fellow at the Institute of Development Studies, Sussex, and Visiting Fellow at the Weatherhead Centre for International Affairs, Harvard University.

The views expressed in this briefing are the author's alone.

## Further reading

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MICROCON, or 'A Micro Level Analysis of Violent Conflict' is a five-year research programme funded by the European Commission, which takes an innovative micro level, multidisciplinary approach to the study of the conflict cycle.

Almost one third of the world's population lives in conflict-affected low-income countries. At a fundamental level, conflict originates from people's behaviour and how they interact with society and their environment - from its 'micro' foundations. Yet most conflict research and policy focuses on 'macro' perspectives. MICROCON seeks to redress this balance.

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