

Economic Conditions, Political Institutions, and Conflict

Editors note: [Lakshmi Iyer](#) is Associate Professor of Business Administration, and Marvin Bower Fellow at Harvard Business School. In our continuing series, she discusses her presentation from our [Impact and Policy Conference](#).

My presentation discussed the relationship between economic conditions, political institutions and conflict. When I talk of conflict, I mean the use of violence to resolve disagreements. There are a wide variety of conflicts across the world. Conflict can involve two or more countries, such as in inter-state conflict or war, or two groups within a country (internal conflict, such as civil war). Some types of conflicts may not involve the government such as organized crime, or crimes targeted towards specific sections of society. My presentation focused on internal conflict (which has become much more prevalent than inter-state conflict over the past 50 years), and crimes targeted against women and religious minorities.

I presented two main findings from academic research on the topic. The first is a very robust relationship between economic conditions and internal conflict. Across the world, it is the case that poorer countries are much more likely to experience civil war. When I examined Nepal's civil war in detail, I found the same pattern within the country. Districts of Nepal which had greater poverty before the conflict started experienced a much higher number of conflict-related deaths than districts which were better off ([Do and Iyer, 2010](#)). Looking at internal conflict across the districts of India, I find again that poorer districts experience a much higher intensity of conflict ([Iyer, 2011](#)).

The second finding I highlighted is that political institutions matter in dealing with conflict. The specific example I examined was the introduction of quotas for women in local governments in India. My co-authors and I compared crimes against women before and after the implementation of this reform. Since the reform was implemented at different times in different states, we are able to control for other simultaneous nationwide changes. The findings are striking: recorded crimes against women increased by 26% after women were represented politically, and most of this change appears to be driven by an increase in the probability of reporting such crimes rather than a real increase in the incidence of crimes against women ([Iyer et al, 2012](#)). Getting such crimes recorded is the first step towards obtaining justice. Encouragingly, we find that arrests for crimes against women also increase after the political reform.

Taken together, these results suggest that internal conflict has strong economic roots, and

that political representation can be an effective means to protect targeted communities. Rebuilding economic growth and political institutions in post-conflict environments are thus likely to be instrumental in preventing further conflict.

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