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Towards an Economic Theory of Destabilization War

Ideology and Beliefs, Indivisibles and Time Preferences

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Abstract: In this note we focus on the particularly long duration of civil armed conflicts. We argue that if conflict parties have extreme ideological beliefs or follow an “irrevocable religious or ideological truth,” there could be three elements in the preference order that may imply a long duration of the conflict. More precise, preference orders of conflict parties are multidimensional. If (1) one dimension is a set of rules that defines an irrevocable ideology and or religious beliefs, and (2) is a necessary element in the preference order, and (3) due to elements of their beliefs – time preference is low, the conflict may have a long duration. For insurgents motivated by such strong beliefs it is essential that their set of rules is established, not when.

Keywords: civil conflict, conflict duration, ideology and beliefs, time preference

1 Introduction

When looking at statistical data an important difference between intrastate and interstate conflicts is their duration. Figure 1 shows the mean duration of intrastate and internationalized conflicts compared to that of interstate conflicts. In all regions civil conflicts lasted much longer than interstate conflicts. Looking at the distribution of duration for the two types of conflict, Figure 1 also shows a large difference in this respect.

While the mean duration of interstate wars was less than 1 year, for intrastate wars we have a mean of more than 3 years and for the density function we see a much wider dispersion. Moreover, 20 percent of intrastate armed conflicts lasted more than 8 years. It is striking that also civil wars last on average much longer

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Figure 1: Mean duration of armed conflict and characteristics of distribution by type of conflict. Source: UCDP/PRIO Armed Conflict Dataset (2015).

than interstate wars. Although this type of war is among the most destructive, protracted interstate conflict is relatively uncommon (Bennett and Stam 1996). By contrast, civil wars usually last a very long time. As Fearon (2004) finds, 57 percent of the 123 civil wars which began between 1945 and 1999 lasted 5 years or more, while 32 percent lasted even 10 years or more (data as presented by Powell 2006). Thus with respect to duration we observe a clear difference between interstate and intrastate armed civil conflicts.

2 Duration, ideologies, and armed civil conflicts

As this paper argues, in establishing an economic theory of destabilization war we need to discuss the ingredients of such a conflict. Destabilization is a process in which observable events indicate a loss of control by government authorities, generating a diffuse physical or psychological threat to the government or to general security (Gries and Haake 2016). Even if such events can be peaceful in principle, this paper considers violent attacks against various targets or symbols. These attacks, however, provoke countermeasures by the government in an attempt to ensure security and to reinforce its own position. A sequence of attacks and counter measures indicate a continuing conflict instead of a one-time or once and for all battle. A continuing conflict also points towards a long duration.

The literature on conflict duration, reveals that the duration of armed civil conflicts tends to be long, due to asymmetric information between insurgents and

the government. The government first has to engage in battle in order to learn more about the enemy's strengths. A large number of empirical studies suggests that especially the presence of certain resources tends to determine the duration or prolongation of conflicts, which in turn is used as a strategy for personal enrichment (Collier, Hoeffler, and Söderbom 2004). Further, resources' lootability and accessibility in wartime largely determines to what extent revenues can be appropriated and misused during conflict events. Furthermore, third-party interventions are perceived as motivating rebels to maintain the fight (see, e.g. Akcinaroglu and Radziszewski 2005), while sanctions or increased opportunity costs of fighting (e.g. increased cost of arms due to embargos) are associated with shorter intrastate conflicts (Escribà-Folch 2010). Closely linked to duration is also the asymmetry between the conflict parties. While standard theory suggests that the stronger side should very likely win, Arreguin-Toft (2001) argues that the question "who wins?" depends on strategic actions related to conflict duration, adding that in the past, an increasing number of wars between unequally strong opponents has been won by the weaker side. His theory relates to the relative interest asymmetry argument leading back to Mack (1975), who suggests that the weak sides win wars as they have a greater interest in winning, and that the stronger side will lose if they do not have the required support from the population. If the stronger side tries to provoke direct confrontation, the weak side can switch to guerilla warfare. Such asymmetric reactions are beneficial for the weak side, as they lengthen the duration of a war. A longer duration implies that politically vulnerable leaders – even if the country is strong – will eventually come under pressure from their own people.

As destabilization is an ongoing process of longer duration, time preferences and the time horizon of conflict parties seem to play an explicit role. Rebels believe that a longer process involving continuous attacks generates threats and destabilization, leading in a distant future to the eventual fall of the governmental regime. Further, in the context of conflict, time horizons and time preferences can be related to insurgents' underlying motivation. For instance, if the insurgents are motivated by pure greed, their time preferences can be expected to be high and their time horizon so short that the return on investment in a potential conflict will be realized in the near future, or at least during the insurgents' lifetime. But if insurgents fight for "irrevocable religious or ideological truth" or maintain dogmatic beliefs or irrevocable convictions, their time horizon may be much longer or even extend to infinity. This aspect has brought up by Duffy Toft (2006) who focuses on two rationalist explanations for war – issue indivisibility and time horizons. Moreover, Sandler, Tschirhart, and Cauley (1983) suggested that utility is not solely relying on one-dimensional income or payoffs, but also on potentially intangible factors. Garfinkel and Skaperdas (2000) develop a model

showing that war becomes more probable the more the contending parties value the future. This is true even in the absence of information asymmetries and commitment problems.

3 Ideology as indivisible and necessary objective

We consider rebels as a group in which rebel leaders as decision makers have a preference order. The utilities of rebel leaders and of the government follow this preference order and can be described by a standard utility function with $u = u(x)$ for rebels and $U = U(x)$ for the government. x is a vector characterizing the distinct elements that are important to rebels or the government.

What do we mean by distinct elements? One element can be pure income; however, income differs substantially from other potential elements of a utility function like political or religious ideologies or beliefs. We argue that to understand certain kinds of civil conflict and in particular the duration of such conflicts it is crucial to understand these various dimensions and their interactions. For the purpose of this discussion, we focus on ideologies and define the term “ideology” as a set of values and rules. Further, we argue that considering ideologies and beliefs in utility functions has important implications with respect to conflict and conflict behavior.

Why? Because the elasticity of substitution between ideologies and beliefs and other elements, e.g. income, may be so low such that replacing ideologies and beliefs by compensating income payments is not easy. Hence, in such a case it is unlikely that a compromise can be found easily.

Further, Ideological beliefs may not only be difficult to substitute with other elements, they may also be indivisible. The concept of indivisible issues as a cause of rational conflicts is not new; see, e.g. Fearon (1995), Powell (2006), Goddard (2006), Hassner (2003), or Duffy Toft (2002, 2006). All these authors understand indivisible issues to be material objects, such as, e.g. Temple Mount in Jerusalem, a territory that is home to an ethnic group, or whatever asset is worth more in one piece than divided. However, Duffy Toft (2002, 2006) explains that the reasons why something is felt to be indivisible are often rooted in religion or nationalism. In this paper we go one step further and suggest that a religious or nationalist ideology itself may be indivisible, i.e. it is not complementary to any other political system. Income is divisible, while ideologies and beliefs are sometimes regarded as complete indivisible sets. E.g. for the ideology of extremist political Islam, Sharia, as a full set of laws, seems indivisible. It is either introduced as a system or not at all. Similarly, a secular constitutional state based on human rights cannot

let the rule of law coexist alongside Sharia rules. Both systems are indivisible as well as mutually incompatible. As long as conflicts are driven by clear dogmatic belief systems, it is therefore important to discuss indivisible elements.

Furthermore, in contrast to other elements the indivisible set of beliefs may be a necessary element of the preference order. As a consequence, if a rebel group strongly believes in its mission and if its own ideology is a necessary element of the preference order, it cannot compromise unless its ideology is established. Therefore, it is important to be aware that such distinct elements of the preference order and the respective properties of utility functions and their elements are crucial for decision-making and conflict resolution. Utility functions already indicate whether rebels can compromise on certain elements or not.

We can illustrate this arguments by giving a formal example on rebels' and government utility functions. In this simple specification of a rebels' and government's utility function we look at two dimensions. First, there is income disposable to the rebel's decision maker Y_R or to the government Y_G . Second, there is the "political ruling power." "Political ruling power" is characterized by a set of laws, which we regard as an indivisible and consistent regime, indicated by index variable $L = \bar{L} > 1, 0$. Regime 0 is a full set of values, rules and laws that defines the existing regime of the current government. Regime $\bar{L}$ however, indicates the system rebels prefer. If rebels can establish their set of laws their utility would increase by $\bar{L} > 1$. As we assume these systems are incompatible with each other, there can be only one regime – either the existing legal system of the current government or a switch to the rebels' set of laws.

How does this example translate into utility evaluations and what is the implication for the outcome of a conflict? If the preferred set of values, rules and laws of each party is an indivisible and necessary element of their preference order, utility functions may look as indicated by the first column of Table 1.

As mentioned, the legal system is indivisible and can take the values $L = 0, \bar{L}$. $L = \bar{L} > 0$ indicates that the rebels' set of laws is introduced, while $L = 0$ indicates that the government's legal system is maintained.

Table 1: Implication of indivisible and necessary elements of preference orders.

	Bargaining outcome: $L = 0$	Bargaining outcome: $L = \bar{L}$
Government: $U = [Y_G] \left(1 - \frac{L}{\bar{L}}\right)$	$U = [Y_G]^\alpha$	$U = [Y_G]^\alpha \left(1 - \frac{L}{\bar{L}}\right) = 0$
Rebels: $u = [Y_R]^\alpha \frac{L}{\bar{L}}$	$u = [Y_R]^\alpha \frac{L}{\bar{L}} = 0$	$u = [Y_R]^\alpha$

If $L = 0$ and the government's legal system is maintained, the government will keep a positive utility, $U = [Y_G]^\alpha > 0$. The rebels' utility level, however, will turn to zero, $u = [Y_R]^\alpha \frac{L}{\bar{L}} = 0$. Hence, if rebels expect any positive welfare from the outcome of fighting, they would always prefer to fight. Correspondingly, if the rebels' system is introduced, $L = \bar{L} > 0$ and $u = [Y_R]^\alpha > 0$. However, the government's utility turns to zero, $U = [Y_G]^\alpha \left(1 - \frac{L}{\bar{L}}\right) = 0$ so the government would always prefer to fight if it expected any positive level of utility from the outcome. Further, if the rebels' and the governments' ideologies are indivisible, respectively, the rebels' payoff in the compromise equilibrium is zero. Neither would dissolving the group be an option for rebels. If rebels are strongly motivated by their ideology their utility would also be zero. Thus, no peaceful solution can prevail. In other words, if ideology and beliefs are an indivisible and necessary element for both parties, fighting is the only possible outcome of the conflict. Peaceful conflict resolution is only possible if the set of elements of the rebels' or the government's preference order are sufficient substitutes, and if indivisible elements of preference orders are not simultaneously necessary in both preference systems. If strong beliefs are the dominant motivation for the rebels, they would fight even until eternity. In this case either the rebels must be completely eliminated, or their resources.

4 Summary and conclusions

Intrastate wars have a particularly long duration. With a simple theoretical argument we suggest that a long duration may be connected with extreme religious or ideological beliefs. Irrevocable religious or ideological beliefs can be linked to three important ingredients for a long duration of conflict.

In this note we focus on the particularly long duration of civil armed conflicts. We argue that if conflict parties have extreme ideological beliefs or follow an "irrevocable religious or ideological truth," there could be three elements in the preference order that may imply a long duration of the conflict. (1) We argue that the preference orders of governments and rebels are multidimensional. If one dimension consists of a set of rules that indicates ideological beliefs and if this set of rules is indivisible as it defines the irrevocable ideology or beliefs, this is an important cause for a long duration of conflict. (2) If this set of rules is in addition a necessary element in the preference order, it dominates bargaining and has to be considered. (3) If beliefs are an irrevocable truth in the mind of an opponent, it is just a matter of time before this truth becomes a reality. Hence a believer is prepared to wait until this eventually happens, so their time preference

is low. These three elements together will not encourage a group of believers to find a quick compromise. As long as their indivisible set of rules is not realized, they will prefer to fight and prolong the conflict. It is essential that, not when, their set of rules is established. The results have two implications. The first points towards destruction and violence. The second indicates a potential way out of a continuing latent or even violent conflict.

If two ideologies or beliefs are *indivisible* and *necessary elements* of the preference orders of the two opponents, the conflict – even if currently not violent – cannot be resolved. The absence of violence – e.g. because of a third-party intervention (e.g. the UN or another strong power) that can persuade opponents to refrain from violence, rather indicates an interruption of conflict-related violence. It is by no means a solution of the conflict. Further, if specific groups are interested in re-engaging in violence it will be easy for them to do so, as it is easy to point towards the purity and indivisibility of their beliefs. As a consequence, they demand the right to establish their own belief system. Therefore, the conflict cannot be resolved as long as their (irrevocable) belief systems still have strong support.

The only way out of such a conflict is a long-term strategy. Why is an ideology or belief an irrevocable, indivisible and necessary set of values, rules and even laws in the preference order for members of a conflict group? Because they were taught so. Thus, the only way to reduce violence or even end a war motivated by strong and extreme ideologies and beliefs is to provide people with an education that enables them to question existing rules and values, and which allows for their evolution and ongoing adjustment.

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