

A MODEL OF ETHNIC CONFLICT

Joan Esteban
Institut d'Anàlisi Econòmica (CSIC)

Debraj Ray
New York University
Institut d'Anàlisi Econòmica (CSIC)

Abstract

We present a model of conflict, in which discriminatory government policy or social intolerance is responsive to various forms of ethnic activism, including violence. It is this perceived responsiveness — captured by the probability that the government gives in and accepts a proposed change in ethnic policy — that induces individuals to mobilize, often violently, to support their cause. Yet, mobilization is costly and militants have to be compensated accordingly. The model allows for both financial and human contributions to conflict and allows for a variety of individual attitudes ("radicalism") towards the cause. The main results concern the effects of within-group heterogeneity in radicalism and income, as well as the correlation between radicalism and income, in precipitating conflict. (JEL: D72, D74, O16)