



ST. FRANCIS XAVIER  
UNIVERSITY ECONOMICS:

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# ECON 491: THE ECONOMICS OF VIOLENCE

**Office Hours:** By appointment

**Lectures:** 14:15-15:30, Tue. and Thur.

**Prerequisite:** ECON 201

**Description of Course:** This course examines the economic causes and consequences of violent conflict, whether it be from the perspective of nation states (eg. war, revolution), or between individuals (eg. civil unrest, domestic abuse). We will use both microeconomic theory and well-identified empirical evidence to analyze fundamental questions, such as “How can we prevent violence?”

By the end of this course, you should have a thorough understanding of the economic literature on violence, and be able to engage with the most current issues in the field. More generally, you will learn how to apply theory and evidence to policy.

**Required Reading:** The course is based on a review of literature, and readings, which shall be provided to you. No textbook is required.

**Electronic Device Policy:** Please do not use cellphones or laptops during class. It is distracting to your fellow students, and to me.

**Assignment Policy:** Assignments are to be submitted individually. I do not accept group assignments for this course.

## **COURSE OUTLINE & DEADLINES**

### **1. Introduction (Week 1)**

- Why should economists care about violence and conflict?
- Some history on the economic study of conflict.
- Statistics and graphs on violence and economic growth.
- Systemic reviews of the literature.

### **2. Analytical tools (Week 2-3)**

- Essay writing tips and techniques.
- *Causal* statistics, and why it matters.
- Game theory, rational choice theory, and misconceptions.
- ABC: Always Be Critical.
- DEADLINE: Short Writing Assignment

### **3. War and revolution (Weeks 3-4)**

- Grievances vs. greed.
- The rapacity effect and the opportunity cost effect.
- The consequences of war and revolution.
- Modelling war and nuclear capacities (Richardson model, Schelling, etc.)
- DEBATE

### **4. Terrorism (Week 5)**

- A slight problem: what is 'terrorism'?
- What makes a terrorist?
- Theorizing terrorism through rational choice and game theory.
- Outcomes from terrorist activity.

### **5. Genocide, persecution, and war crimes (Week 6)**

- Some case studies: The Rwandan genocide, The Holocaust.
- Other persecutions and economic factors: East Timor, Sri Lanka, First Nations peoples.
- Elites and persecution: do sanctions work?

### **6. No classes (Winter Break in Week 7)**

### **6. Midterm and Guest Lecture (Week 8)**

### **7. Violent Crime (Week 9)**

- Rational model of crime.
- Demographic profiles of violent offenders.
- The economics of criminal organizations.
- Crime's economic outcomes.

## **8. Riots, Mob Violence, and Civil Unrest (Week 10)**

- Lynchings and food riots.
- Violent versus non-violent protest.
- Strikes
- DEADLINE: Assignment

## **9. Domestic abuse and sexual assault (Week 11)**

- Summary statistics.
- Household bargaining model.
- Economics of sexual assault: an under-researched field.

## **10. Group Presentations (Weeks 11-12)**

## **11. Concluding Thoughts (Weeks 12-13)**

- DEADLINE: Essay 2

## **EVALUATION**

Your course grade will be determined as follows:

Short Writing Assignment:	5%
Assignment:	5%
Essay:	30%
Midterm:	20%
Debate:	15%
Pop Quizzes:	15%
Group Presentation:	10%

There is no final exam.

I do not accept late assignments or group presentations. I accept late essays, but at a penalty of 5% for each day late.

## **ESSAY TOPICS & GUIDELINES**

Topics for the essay shall be drawn from the following list, or chosen in consultation with me. Your approach may, depending on the particular issue in question, take the form of a literature review, policy prescription, theoretical model, or empirical analysis. You should use economic methodology and reasoning to guide your response.

I expect essays to be between 2500 to 3500 words. Essays should be stapled, typed, and submitted in hard copy; I do not accept digital submissions.

1. *What policies can prevent domestic abuse, and how do they prevent it?*
2. *There is a growing literature linking historical events, institutions, and environmental factors with present-day violence. However, the mechanisms connecting past to present are not well understood. Why might this be the case, and what should future research do to address this?*
3. *Does violence always lead to 'bad' consequences? Explain. If not, why should we attempt to prevent it?*
4. *Write a policy brief, documenting in detail how The United States of America can most effectively win its fight against the Islamic State in Iraq and Syria (ISIS).*
5. *What is civil unrest's effect on economic development?*
6. *How do inter-ethnic relationships affect the propensity for ethnic violence?*
7. *Can nuclear weapons promote peace?*
8. *"To reduce crime, it is best to build more prisons and hire more police officers." Discuss.*
9. *"Gun control leads to less violence." Do you agree?*
10. *"Economic sanctions are the best way to prevent persecution of oppressed minorities." Discuss.*

## **GROUP PRESENTATIONS**

Working in groups of 2 to 3, you shall give a 15 minute presentation on a published paper, from the following list. If you wish to present on a paper that is not on the list, then you may do so in consultation with me.

For the presentation, you should summarize the paper, including a discussion of the background literature, question being answered, methodology, and findings, as well as any potential policy implications or directions for future research. You should also critique the paper, and address its shortcomings.

### **GROUP PRESENTATION LIST:**

Acemoglu, Daron, Davide Cantoni, Simon Johnson, and James A. Robinson. "The Consequences of Radical Reform: The French Revolution." *American Economic Review*, December 2011, 101(7), pp. 3286-3307.

Aidt, Toke S. and Raphael Franck. "Democratization Under The Threat of Revolution: Evidence from the Great Reform Act of 1832." *Econometrica*, March 2015, 83(2), pp. 505-547.

Angrist, Joshua D., and Adriana D. Kugler. "Rural Windfall or a New Resource Curse? Coca, Income, and Civil Conflict in Colombia." *Review of Economics and Statistics*, May 2008, 90(2), pp. 191-215.

Bazzi, Samuel, and Christopher Blattman. "Economic Shocks and Conflict: Evidence from Commodity Prices." *American Economic Journal: Macroeconomics*, October 2014, 6(4), pp. 1-38.

Besley, Timothy, and Torsten Persson. "The Logic of Political Violence." *Quarterly Journal of Economics*, August 2011, 126(3), pp. 1411-1445.

Besley, Timothy, and Marta Reynal-Querol. "The Legacy of Historical Conflict: Evidence from Africa." *American Political Science Review*, May 2014, 108(2), pp. 319-336.

Bloch, Francis, and Vijayendra Rao. "Terror as a Bargaining Instrument: A Case Study of Dowry Violence in Rural India." *American Economic Review*, September 2002, 92(4), pp. 1029-1043.

Card, David, and Gordon B. Dahl. "Family Violence and Football: The Effect of Unexpected Emotional Cues on Violent Behaviour." *Quarterly Journal of Economics*, February 2011, 126(1), pp. 103-143.

Collier, Paul, and Anke Hoeffler. "Greed and grievance in civil war." *Oxford Economic Papers*, August 2004, 54(4), pp. 563-595.

Dell, Melissa. "Trafficking Networks and the Mexican Drug War." *American Economic Review*, forthcoming.

Dube, Oendrilla, and Juan F. Vargas. "Commodity Price Shocks and Civil Conflict: Evidence from Colombia." *Review of Economic Studies*, October 2013, 80(4), pp. 1384-1421.

Esteban, J., and Debraj Ray. "Linking Conflict to Inequality and Polarization." *American Economic Review*, June 2011, 101(4), pp. 1345-1374.

Jha, Saumitra. "Trade, Institutions, and Ethnic Tolerance: Evidence from South Asia." *American Political Science Review*, November 2013, 107(4), pp. 806-832.

Lee, Chulhee. "*In utero* exposure to the Korean War and its long-term effects on socioeconomic and health outcomes." *Journal of Health Economics*, January 2014, 33, pp. 76-93.

Michalopoulos, Stelios, and Elias Papaioannou. "The Long-Run Effects of the Scramble for Africa." *2014 Brown University Working Paper*.

Miguel, Edward. "Poverty and Witch Killings." *Review of Economic Studies*, October 2005, 72(4), pp. 1153-1172.

Miguel, Edward, Shanker Satyanath, and Ernest Sergenti. "Economic Shocks and Civil Conflict: An Instrumental Variables Approach." *Journal of Political Economy*, August 2004, 112(4), pp. 725-753.

Mitra, Anirban, and Debraj Ray. "Implications of an Economic Theory of Conflict: Hindu-Muslim Violence in India." *Journal of Political Economy*, August 2014, 122(4), pp. 719-765.

Nepal, Mani, Alok K. Bohara, and Kishore Gawande. "More Inequality, More Killings: The Maoist Insurgency in Nepal." *American Journal of Political Science*, October 2011, 55(4), pp. 886-906.

Nunn, Nathan and Nancy Qian. "US Food Aid and Civil Conflict." *American Economic Review*, June 2014, 104(6), pp. 1630-66.

Sanchez de la Sierra, Raul. "On the Origins of States: Stationary Bandits and Taxation in Eastern Congo," *2014 Harvard Working Paper*.

Voigtlander, Nico and Hans-Joachim Voth. "Persecution Perpetuated: The Medieval Origins of Anti-Semitic Violence in Nazi Germany." *Journal of Political Economy*, August 2010, 118(4), pp. 787-831.

Yanagizawa-Drott, David. "Propaganda and Conflict: Evidence from the Rwandan Genocide." *Quarterly Journal of Economics*, August 2014, 129(4), pp. 1947-1994.