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## On the Salience of Identity in Civilizational and Sectarian Conflict

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## Abstract

This paper models two forms of low intensity conflict based on identity: civilizational conflict between Muslim migrants and the 'West' in European countries, and sectarian violence between religious groups in certain developing countries. Both historical grievances and current material inequalities can motivate individuals to join or refrain from violence in aid of a group cause. With civilizational conflict, hatred of the West arises because of economic disadvantage among Muslims, historical grievances and contemporary foreign policy deemed to be against Muslims. Fear of Muslim minorities among the European population may result from strident propaganda. Without tackling inequalities of opportunity, policies of assimilating migrants are doomed to failure. Sectarian conflict in developing countries like India is driven both by prospect of loot and hatred of the other. Localized conditions are salient in this regard. Poverty and inequality reduction and positive local social capital are key to addressing this type of conflict. Historical factors that shape the myths placing certain minorities adversely within society also need addressing.

**KEYWORDS:** identity, cultural conflict, sectarian conflict

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*Since the writing of the first version of this paper, Walter Isard has passed away. I came to know Walter Isard personally in the last decade of his life. Professionally he was a colossus, the acknowledged father of regional economics and peace economics. In addition to his professional brilliance, Walter was a true gentleman, and represented a gentler, kinder bygone age, which preceded our own excessively competitive era when academic discourse sometimes descends into downright bad manners. Walter was never stingy with compliments; he could inspire, and any words crafted by me can never do justice to this truly great economist, whose passing constitutes an irreparable loss to our profession.*

## **1. Introduction**

Identity is salient in defining antagonism in all forms of conflict since time immemorial. It refers to the group cause in the context of conflict, and that which individual participants in war or conflict identify with and are willing to fight for. It is relevant to wars between states, as well as internal war (civil war<sup>1</sup>), and even other forms of violence where the state is not necessarily a target, with or without explicit political objectives, (such as sectarian violence between religious groups, violent protest and rioting). Identity defines who we are. It specially identifies which group(s) we have an affinity with. It can be multi-dimensional, extending from family, vocation, tribe, religion to nation. One of these identities can acquire relevance in the context of war and violence. As regards inter-state warfare, identity usually takes the form of (primitive or modern) nationalism; ‘my country’ against another. For God, king and country is an age old refrain driving individuals into participation in inter-state conflict. Similarly, tribal, other ethnic (race, language) and religious differences define antagonists in civil war; see Horowitz (1985) for a discussion on ethnicity as an unalterable attribute that individuals associate themselves with. Patriotism, or identification with group causes, constitute an important intrinsic motivation for individuals to join a collective violent enterprise against another group. But people also have mercenary motives; pecuniary gain—looting another country, destroying its trade or grabbing its colonies---similar forms of greed can also exist in domestic conflict. Most conflicts, arguably, reflect mixed intrinsic and pecuniary motivations within their participants.

Within the realm of formal economics, Akerlof and Kranton (2000) were pioneers in developing utility functions where individuals directly obtain utility from their own identity based actions, and not merely from consumption. They do this by making themselves, as well as others in their group, behave in conformity

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<sup>1</sup> In a civil war there is usually the political objective of either overthrowing or seceding from the state. Military coups also aim at the downfall of the government.

with group norms. This work is in the tradition of the burgeoning field of behavioural economics. Akerlof and Kranton (2000) focus on a single, defining, identity. But, it also has to be borne in mind that individuals often have multiple and layered identities, as emphasised by Sen (2008). Identity, and its study, is likely to become increasingly salient within the rational choice methodologies studying the economics of conflict as the emphasis moves from pecuniary to intrinsic and mixed motivations for individual participation in violence. The importance of identity will be heightened as the study of conflict shifts to more local or micro-levels, coupled with the growing importance of forms of organised violence where the state is not a direct participant or target.

Identity is crucial to shaping conflict, as it allows for group formation for the purposes of violence. It resolves the collective action problem (Olson, 1965) in all forms of conflict, even when the motive is mainly mercenary. As far as group grievances are concerned, these may centre around historical injustices, but present day enduring inequalities and inequalities of opportunity usually also matter. Gurr (1970) indicated that the difference between aspirations and reality during a period when general material conditions are improving may induce disadvantaged individuals to revolt. This, however, is more likely to take the shape of organised group conflict when individual and group grievances merge, simply because collective action is easier. Also, collective action may be motivated not just by injustices against the self or group members in the immediate neighbourhood, but perceived historical injustices, and unfairness against group members who are geographically dispersed may also figure prominently (a Muslim residing in Europe may identify with the plight of the Palestinians for example).

There is a considerable literature on both the causes and consequences of civil war in the rational choice tradition. These mainly focus on the material (economic, political) basis for conflict, as well as its material effects on society. There is relatively less on intrinsic and identity based motivations for conflict---a group cause based on identity that individuals identify with and can fight for. One reason for this is rational choice approaches often ignore history, concentrating on more immediate circumstances. Secondly, there is relatively less literature originating from the economics discipline on two forms of low intensity violence: civilizational or cultural conflict and sectarian violence. Perhaps, this is because neither truly undermines the existence of the state. This paper attempts to fill this gap by focussing on both historical factors and present-day material differences that motivate individuals to identify with a group cause driving civilizational and cultural conflict. I also examine sectarian forms of ethnic violence. Identity is also important to the analysis of sectarian conflict. The focus here is on individual choices to join or refrain from violence, rather than collective or group choices, as these modes of sectarian/ethnic conflict are relatively less pre-meditated.

Civilizational conflict refers to a conflict between different ways of life.<sup>2</sup> In present-day Europe, for example, there is a fear of Islam, in the shape of Muslim migrants in Europe (25 million Muslims reside in the European Union); both in the sense of annoyance with Muslim practices, and the potential dangers from home grown terrorism (Madrid train bombings, the London bombings, the murder of Theo van Gogh in Amsterdam, rioting by Muslim youths in Parisian suburbs). Certain segments of the Muslim immigrant population have developed a corresponding hatred for the West. Terror and migration (to the West) are said to be the two weapons in the militant Muslim's armoury. This may bring about a 'clash of civilizations' in Europe.

There can be two explanations for civilizational or cultural conflicts between Islam and the West. One is the inevitable clash of civilizations theory, as outlined by Huntington (1996)? The hatred for the West by some Muslim groups is treated as given, and conflict with the West necessarily follows. The problem with these 'culturalist' views is that it treats culture as monolithic, and individual identity as a singular phenomenon, ignoring the multiplicity of identities that individuals may possibly possess (Sen, 2008). Thus, it is conceivable to be simultaneously a Muslim, a European citizen, a believer in democracy, as well as someone who respects difference and human rights. Contemporary racism in Europe is driven more by disdain for cultural identities such as Islam, rather than biologically based phenomenon, such as complexion, as was the case until the recent past. Racist messages that breed fear of minorities like Muslims can emanate from attention seeking politicians, who campaign on a single issue that scapegoat a particular group for all of society's ills (crime, unemployment and so on). Continental Europe has seen the rise of anti-immigrant, especially anti-Muslim immigrant, political parties in Denmark, the Netherlands and elsewhere. According to surveys<sup>3</sup>, negative perceptions about Muslims among non-Muslims have grown: in 2008 52% in Spain, 50% in Germany, 38% in France and 23% in the UK felt negative about Muslims and Islam. The PEW world surveys indicate that dislike of Muslims in Europe is greater among the older and less educated segments of the population. The same survey indicates growth in the Muslim sense of identity amongst Muslims immigrants in Europe.

The alternative view holds that radicalization or political Islam in Europe does not arise in a socio-economic vacuum, and disgruntled Muslim behaviour in Europe may lie in wider material, political and identity based disadvantage. Stewart (2009) has documented the systematic disadvantage that Muslim groups face in European countries and worldwide (Muslims are nearly a quarter of humanity). These range from economic discrimination in terms of jobs and lower

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<sup>2</sup> There can be an avowed or stated clash between democracy and autocracy, for example during the two world wars of the 20<sup>th</sup> century.

<sup>3</sup> <http://pewglobal.org/reports/display.php?ReportID=262>

incomes to under representation in public life. This phenomenon may be described as the horizontal inequalities that Muslims suffer from in contemporary Europe. Horizontal inequality is group-based inequality, rather than the inequality in an otherwise culturally or ethnically homogenous society; see Stewart (2000) on this. Muslim citizens in Europe are systematically poorer, suffer from greater unemployment and are less than proportionately represented in public life (Stewart, 2009), in addition to the opprobrium their cultural identity attracts. Thus, some of the more extreme forms of terrorism and even other non-violent acts, which make a statement of difference with the majority community such as the wearing of *hijabs*, may have as their root cause, both the collective sense of injury caused by the sufferings of Muslims globally (such as in Palestine, Iraq or Afghanistan)<sup>4</sup>, as well as the more palpable economic, political and social discrimination felt within the European states that they reside in. I model this in section 2, based on extensions of Akerlof and Kranton (2000) model of identity, going on to look at group behaviour. In section 3, I model fear of Muslim migrants originating in signals sent out by certain political groups, which may result in public action proscribing Muslims and their practices.

Sectarian violence between religious groups characterise several developing countries: Hindu-Muslim violence in India, Christian-Muslim violence in Indonesia and Nigeria. These are highly localized (as it is confined to certain regions of large countries), and does not undermine the state. The state itself is not a target of the violence, unlike in the case of civil war; only localized state functionaries are found to be actors in this form of violence. India (see, Varshney, 2002) has a longer history than either Nigeria or Indonesia in this regard. Brass (2003) points out that Hindu-Muslim sectarian violence (known as communal rioting in India) is not as spontaneous as we are led to believe, but is very much part of the political process in India, particularly the rise of Hindu fundamental parties in Indian politics in the post-Nehru era. Among many historical factors, Muslimness is associated with a dark medieval age during which little progress took place, and Muslims are also blamed for the creation of the breakaway state of Pakistan in 1947. He also feels that, since Muslims, are a regular target of these attacks, they should be more appropriately termed as pogroms rather than spontaneous rioting.

Tadjoeddin (2008) points out that Christian-Muslim violence in certain regions of Indonesia was prompted by the relative rise in Muslim material circumstances compared to the historical Christian ascendant position. This was

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<sup>4</sup> Galtung (1964) argues that in choosing foreign policy options there may be differences in opinion within any given society. There is a central opinion and a peripheral opinion. Muslim minorities residing in Europe may hold strong 'peripheral' opinions about policies towards the Palestinian question, Iraq and Afghanistan. More peaceful options, both in terms of domestic harmony, and foreign relations, should incorporate the periphery's opinions.

during Indonesia's democratic transition, and it has mostly fizzled out. The important point is that, in the case of sectarian violence *localized* factors and institutions matter, and not national averages or characteristics. Here both historical factors and present-day material differences are salient. I sketch a model of sectarian conflict in section 4 based upon individual choices to participate or eschew this form of violence, before concluding in section 5.

## 2. Islamic Radicalization<sup>5</sup>

We need to distinguish between individual motivation to dissent, followed by alienated group dynamics leading to a clash with the state.

As far as individuals are concerned, following Akerlof and Kranton (2000), I postulate that individuals *directly* obtain utility from their identity, and the behaviour demanded by that sense of belonging. Thus, an individual member ( $r$ ) of a potential minority group (say, Muslims in Europe) derives utility ( $U_r$ ) from identity related actions in the following manner (other arguments in the utility function such as consumption are ignored at this stage for the sake of simplicity):

$$U_r = U_s(s_r, s_j, I_r) + U_o(k_r) \dots j \neq r$$

where (1)

$$I_r = I_r(s_r, s_j, \theta)$$

Here the parameter  $s$  refers to principal identity based actions, which yield utility ( $U_s$ ) from actions ( $s_r$ ), as well as utility ( $U_o$ ) from other identity based actions,  $k_r$ . The former is like a club good, and the latter similar to a private good. These two enter individual utility in an additive and separable fashion. Unlike in Akerlof and Kranton (2000), an individual is allowed to have a complex multiple identities (Sen, 2008), and corresponding to these are additive separable inputs into his utility function, which is an innovation of my model. The individual not only derives utility from a vector of his own actions ( $s_r$ ), but also similar actions of other like-minded individuals belonging to his group ( $s_j$ ), and above all his own identity or self image ( $I_r$ ), which in turn depends on the actions ( $s_r, s_j$ ) just described, as well as the inverse of the group's social standing,  $\theta$ . This concept resonates with Boulding's (1956) concept of image. Boulding regards image to be the basis of behaviour. Image, including self-image, is always subject to messages, akin to signals, which can either be internalised or lead to changes in the image, which, on occasion, can be quite dramatic or revolutionary, leading, as

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<sup>5</sup> The model in this section, and in section 3, is based on Murshed (2009 and 2008).

in my examples below, to virulent collective action., In general, one's self-perception or image depends both on the group's economic disadvantage, and other factors such as the West's foreign policy towards the Muslim world.  $\theta$  may also be construed to be a metric of adverse circumstances that produce disadvantage and *enduring inequalities of opportunity*, as in Roemer (1998), which disadvantage certain groups because of an adverse perception of their identity irrespective of individual qualities and qualifications (see also Stewart, 2009 on this). More importantly, it is also a barrier to integration with the majority. An increase in  $\theta$  is a reduction of social standing, but it will enhance utility from own-identity based actions. It could, however, be argued that low social standing may encourage individuals to abandon their primary identity in favour of other, less frowned upon, identities. These actions, however, would be insincere and based on opportunistic considerations. Also, following Akerlof and Kranton (2000), it is possible to show that many such individuals may be deterred from this course of action by their peers.

The budget constraint describing input or actions to individual utility takes on the following form (where  $S_r$  refers to the total endowment of possible actions):

$$S_r \leq s_r(\mu, \theta) + k_r \quad (2)$$

It is postulated that the attractiveness of inputs into own-identity type behaviour ( $s_r$ ) rises with  $\mu$  (restrictions by the state on the behaviour of Muslim minorities) and  $\theta$ ; an increase in both can be described as a fall in the relative price of own-identity based actions relative to other-identity based actions ( $k_r$ ).<sup>6</sup>

Following Akerlof and Kranton (2000) it is also possible to show that individuals derive disutility from the non-conformity of other group members. Secondly, if the costs of so-doing are low compared to the pain inflicted on errant members, individuals of a group will exert effort to bring back members who have strayed from ideal group behaviour back to the fold, as analysed by Akerlof and Kranton (2005). Such behaviour can also be said to describe the strategies adopted by conflict entrepreneurs amongst Muslim minority groups who are bent on confrontation. If another group member ( $j$ ) suffers disutility ( $I_j$ ) from other-identity based behaviour ( $k_r$ ) by person  $r$ , they may lure the errant individual back to the fold provided that the cost of doing so to themselves ( $c_j$ ) is not too large and is less than the loss inflicted ( $I_r$ ) on the deviant group member through a cooperative game, requiring the condition:

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<sup>6</sup> Other-identity based efforts include actions conforming to the spirit of the law of the land, and behaviour that might be considered by some to be at variance with the individual's principal identity, such as consuming alcohol or dressing 'immodestly'.



$$c_j < I_j < l_r \tag{3}$$

This condition above is more likely to hold amongst poor but culturally homogenous communities suffering from widespread unemployment, and who live proximately to each other in isolated ghettos with close kinship ties (as in many metropolitan locations throughout Europe where Muslim families related to each other live cheek by jowl). This is also typical of the horizontal inequalities faced by many Muslim groups in Europe. In many ways, this conforms to the classic Tiebout (1956) outcome where like-minded individuals endogenously congregate in localities that facilitate the common enjoyment of shared public goods or club (associational) goods. Moreover, the dissident group may use the behaviour denoted in (3) to resolve mutual mistrust, the collective action problem as described by Olson (1965). Thus, group grievances become individual grievances, and individuals act upon their collective grievances. This, at the extreme, can include terrorist acts such as suicide bombing, as outlined in Wintrobe (2002), with  $k_r = 0$ , implying a corner solution (all or nothing choice). Note, that it is not just individual poverty that motivates members, but rather the group's relative deprivation; this explains why some extremists are drawn from a relatively more affluent and educated background.

Dissident group behaviour is arrived at after summing the choices regarding  $s_r$  from individual utility maximization described in (1), subject to individual constraints (2):

$$\sum_{r=1}^n s_r = e \tag{4}$$

For collective action (like a club good) to take place via the adoption of the group strategy ( $e$ ), a critical threshold of aggregate own-identity based actions,  $\sum s_r$ , must be chosen. Not all individuals will engage in own-identity based actions. The forging of collective action requires high enough values of  $\mu$  and  $\theta$ ; condition (3) must also hold so that it is not too costly to deter non-own-identity based actions through cooperative games; at high enough values of  $\mu$  and  $\theta$  condition (3) becomes more relaxed, as more self-enforcing and sincere own-identity based behaviour takes place via (2).

The dissident *group*, objective or utility function,  $R$ , takes the following form:

$$R = \pi(a, e)R^P + (1 - \pi)(\cdot)R^C - E(e) \tag{5}$$

where:

$$\begin{aligned}
 R^P &= Y^R + T(A) + pF^R(\mu, \theta) \\
 R^C &= Y^R + T(A) + cF^R(\mu, \theta); F^R_{\theta}, F^R_{\mu} > 0 \\
 e &= \frac{T(A)}{F^R(\mu, \theta)}
 \end{aligned}
 \tag{6}$$

The superscripts  $P$  and  $C$  refer to states which are more peaceful and confrontative, with probabilities  $\pi$  and  $1 - \pi$  respectively. The probability of peace rises with an action ( $e$ ) by the dissident group, and ( $a$ ) on the part of the state to be outlined below. Both strategies are, however, a hybrid of accommodation and aggression.  $R^P$  and  $R^C$  describe dissident group pay-offs in the two states, with utility greater in the peaceful states. Utility is derived from income ( $Y^R$ ), and a transfer ( $T$ ) obtained from the state, which is related to the manner in which the state spends its security budget ( $A$ ). The state's decision making is described in the section that follows. Strategic choices surround  $e$  (effort with regard to peace with the state) obtained from (6); it is a ratio of transfers (which generate peacefulness) to fighting,  $F^R$ , which is greater when the group's social standing (horizontal inequality) declines ( $\theta$  rises). The parameter  $\mu$  describes greater restrictions by the state on the behaviour of Muslim minorities, and is therefore liable to raise militancy.  $E$  describes the aggregate cost function for undertaking  $e$ , composed of psychic costs of 'capitulation' to the state or the total costs of inducing own-identity based behaviour in (3), with  $E_e > 0$ . Note that as  $e$  rises there is more peace with the state; a decline in  $e$  defines greater militancy.

Collective group behaviour, via the group strategy,  $e$ , is akin to a club or associational good (Cornes and Sandler, 1996). A club good is excludable in nature, only those who subscribe or contribute can partake in it. It is 'voluntary' because individuals do not have to participate, unlike in the case of non-excludable pure public goods. With club goods, membership and provision are inseparable. This club will not suffer from congestion externalities; members may not be homogenous in their ability to contribute, which are not necessarily anonymous. Differentiating the dissident group's strategic variable ( $e$ ) in (6) we find:

$$de = \frac{T_A}{F^R(\mu, \theta)} dA - \frac{T(\bullet)}{F^R_{\theta}} d\theta - \frac{T(\bullet)}{F^R_{\mu}} d\mu
 \tag{7}$$

The first term on the right-hand side of (7) is positive,  $e$  rises with  $T$ , but falls with  $\theta$  and  $\mu$ . Equal opportunity policies raise peaceful behaviour; economic disadvantage, diminution of social standing and state proscription enhance radicalization.

The disgruntled group will maximise (5) with respect to  $e$ , equating its marginal benefit to marginal cost:

$$\pi_e [R^P(\cdot) - R^C(\cdot)] = E_e \quad (8)$$

### 3. The Crescent and the Cross

The utility of the state or the majority group is given by:

$$G = \pi(a, e)G^P + (1 - \pi)(\cdot)G^C - C(a) \quad (9)$$

where:

$$\begin{aligned} G^P &= Y^G + pF^G(A, \mu) + T(A) \\ G^C &= Y^G + cF^G(A, \mu) + T(A) \\ a &= \frac{T(A)}{F^G(A, \mu)} \end{aligned} \quad (10)$$

$$c > p > 0, c + p = 1, \pi_{a,e} > 0.$$

$G^P$  and  $G^C$  refer to exogenous pay-offs to the government in the two states. For the government (and the society it represents), utility is derived from two public goods: general consumption ( $Y^G$ ) and security expenditure ( $A$ ) against domestic terrorist threats, with the former larger in the peaceful state. Also,  $G^P > G^C$ ; society at large derives greater satisfaction in the peaceful state when spending on public goods such as education and health is greater. Security expenditure can be used in two ways: a component ( $F^G$ ) devoted to suppressing dissidents (via policing, surveillance and the prohibition of certain cultural practices in order to induce integration), and another element  $T$ , which is a transfer to the dissident group, which serves to assuage their grievances. The transfer can mean several things: greater inclusion in public sector jobs, political representation and voice; basically equal opportunity policies. It is the pecuniary value of including the excluded. Observe that there is a trade-off based on two policy alternatives towards the dissidents: suppression (stick) and transfers (carrot).

The probability of peace,  $\pi$ , increases with the parameters,  $a$  and  $e$ , which correspond to mixed strategies of accommodation and aggression pursued by the two sides to the game, the government and dissidents, respectively. For the government side, for example,  $a$  is defined in (10) as the ratio of transfers ( $T$ ) and fighting ( $F^G$ ), with the numerator raising the chances of peace and the denominator reducing it. An increase in the ratio,  $a$ , therefore implies a rise in

relative peaceful behaviour. I postulate a rise in heavy-handed behaviour towards dissidence ( $F^G$ ), has only a limited deterrent effect; it actually increases militancy and the sense of grievance.  $C$  refers to the cost of undertaking  $a$  by the state,  $C_a > 0$ . These costs consist of pecuniary and non-pecuniary elements; the first because of the cost of distortionary taxation to finance security; the latter because accommodating dissidents entails a political cost by alienating those opposed to the policies adopted. Violent acts occur only in the confrontative state, and the Nash equilibrium to the game between the two sides occurs along a continuum of peaceful actions by both sides. Equilibria with low levels of peace chosen by both sides are confrontative, enhancing the risk of rioting and terrorism by the dissidents.

The parameter  $\mu$  is crucial to the determination of the aggressive component of the policy vector adopted by the government side towards potentially 'radical' Muslims. A higher  $\mu$  implies a more confrontative public policy. Following Glaeser (2005) we can think of  $\mu$  as originating in a signal sent out by a politician, whose word (credibility) is not exactly the 'coin of the realm', because he may be deliberately sending out a false hate message as a cheap way of advancing his own popularity. Its attractiveness to the public will depend on their need for scapegoats and their own personal life experiences of these minority groups. Not all these signals will be believed: for example, some hate mongering politicians may be mistrusted, the better educated among the public may discount part of the message and others with greater knowledge of the minorities based upon personal interaction may similarly disregard this signal. There is a cost ( $z$ ) to members of the public of verifying the veracity of the signal through a search process. Let  $\varphi$  be the probability that the politician is sending out a false message and the Muslim group in question is largely innocent;  $1 - \varphi$  is the probability that they are not, and will therefore impose a net cost  $\mu$ . Individual's will update their Bayesian prior for this in the following manner:

$$\frac{\varphi}{\varphi + (1 - \varphi)\mu} \quad (11)$$

The prior may be updated subject to the aforementioned search cost  $z$ , and other exogenous events like riots and acts of terrorism (close to home) perpetrated by Muslims. The public is composed of two types: a high cost type (indexed by subscript  $h$ ) who both suffer more potential damage ( $\mu$ ) and also have higher search costs ( $z$ ); and, a low cost type (subscript  $l$ ) who suffer less disutility from a potential Muslim threat and have lower search costs of finding out the truth (because of education, say). The former may include the less educated, the more socio-economically disadvantaged, those who would like to find close to home scapegoats for the risk of unemployment that the globalization of production

brings, others who wish to find a simple explanation for the rise of crime, as well as those with a negative experience of interaction with Muslims. In general:

$$\begin{aligned}
 V_i &= y_i - \mu_i(z)(1-\varphi) - z(i) \dots i = h, l \\
 \Rightarrow \mu_{hz}(1-\varphi) &> z_h \dots \text{for high cost types} \\
 \text{and } \mu_{lz}(1-\varphi) &< z_l \dots \text{for low cost types}
 \end{aligned} \tag{12}$$

Where  $V$  represents expected utility and  $y$  income of individuals of  $i = h, l$  types, diminished by  $\mu$  and  $z$  costs. Maximization of this expected utility with respect to search ( $z$ ) leads to the conditions described in the second and third lines of (12) respectively. The high cost type of individual suffers both a greater perceived loss from Muslim dissidents ( $\mu_h$ ) and has a higher cost of verification of the signal ( $z_h$ ). This is all the more so, if the search costs of verifying the signal entail an earlier lumpy fixed cost in education, say. These individuals are more likely to abandon the search for truth in favour of the hate message, setting  $\varphi = 0$ . Not only that, but they will clamour for public action against the object of their phobia. Even the low cost type individual (who will engage in the search for truth) may at certain times randomise the probability of  $\varphi$  around 0 or 1, if say equilibrium  $\varphi \approx 1/2$  in (12). Also, after major riots involving (male) Muslim youths and terrorist attacks like the London bombings, all individuals from the majority community may set  $\varphi$  to zero for a certain time, effectively tarring all Muslims with the same (terrorist) brush.

If enough voters believe the signal then public action will be called for, and Islamophobia or fear of Muslims acquires the nature of a public good. Note that  $\sum_i \mu_i = \mu$  in equations (9) and (10); this includes individuals whose actual valuation of  $\mu$  is non-positive because of the non-rivalled and non-excludable nature of a public good, even those who do not derive utility from it are ‘forced’ to ‘consume’ the good and finance it via taxation. The state will be compelled to act at the taxpayers expense ( $C$ ), but some reservations may exist about surrendering to Islamophobia. It is instructive, therefore, to examine the government’s strategic variable, which is a mix of accommodation ( $T$ ) and confrontation ( $F^G$ ). Totally differentiating,  $a$ , in (10):

$$da = \left[ \frac{T_A}{F^G} - \frac{T(\bullet)}{F^{G^2}_A} \right] dA - \frac{T(\bullet)}{F^{G^2}_\mu} d\mu \tag{13}$$

All the partial derivatives in (5) are positive. The security budget ( $A$ ) can be utilised either to increase transfers to the dissidents or fight them. Therein lies a trade-off; thus the term in square brackets in (5) is ambiguous in sign. The second

term on the right-hand side of (5) is negative, because a rise in the confrontation public policy vector ( $\mu$ ) causes the state to be less 'peaceful'. For a certain type of government, the first term is positive; it prefers peace. I utilise this taxonomy, because there may be different expenditure effects following an increase in the security budget depending on the type of government in different countries.<sup>7</sup>

The government side maximizes (9) with respect to  $a$ :

$$\pi_a[G^P(.) - G^C(.)] = C_a \quad (14)$$

Essentially, this means that the government equates the marginal utility of its strategic action ( $a$ ) on the left-hand side of (14) to its marginal cost on the right-hand side. One can utilize equations (8) and (14) to obtain reaction functions for the dissidents and the government respectively. It can then be shown that increases in militancy can be a result of a rise in horizontal inequalities ( $\theta$ ) amongst Muslims, foreign policy actions that adversely affect Muslims (also a rise in  $\theta$ ), or a reaction to greater state restrictions on Muslim behaviour,  $\mu$  (such as the wearing of *hijabs*). All of this result in less peaceful behaviour by both the European state and its Muslim malcontents towards each other. For militancy to become violent, a critical low threshold of  $e_{min}$  must be arrived at.

#### **4. Hating One's Neighbour: Sectarian Violence**

Now we turn to purely sectarian violence, also based on identity, in countries like India, Indonesia or Nigeria.<sup>8</sup> Here the antagonists are two different ethnicities, without the direct participation of national government, although occasionally local authorities take sides in these clashes. The violence that occurs is spontaneous and sporadic, and is usually described as rioting. These violent episodes do not necessarily undermine the existence of the central state, unlike in the case of civil war. But, nevertheless it is a cause for concern; Varshney (2002) estimates that it has killed or maimed 40,000 individuals since India's independence in 1947.

The model that follows is based on Mahmud and Murshed (2010). Let us say that society is characterised by the presence of two groups, Hindus ( $H$ ) and

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<sup>7</sup> Good examples could be given by contrasting the present Spanish and Danish governments. The latter's (or some of its coalition partners) negative attitudes and explicit policies towards Muslims is well known; see [http://www.euro-islam.info/country-profiles/denmark/#identifier\\_73\\_465](http://www.euro-islam.info/country-profiles/denmark/#identifier_73_465). By contrast the Spanish government led by Prime Minister Zapatero is far more conciliatory towards Muslims, including illegal Muslim migrants, and Zapatero called for an international alliance of civilizations; see <http://www.unaoc.org/content/view/328/251/lang.english/>

<sup>8</sup> India has the longest history of this type of sectarian conflict; in certain parts of the country it is almost an annual event; see Brass (2003).

Muslims ( $M$ ), with  $i = H, M$ . Here the probability of peace,  $\pi$ , is *declining* in the number of radicalized individuals from each group,  $R_H$  and  $R_M$ . Not every member of either community will join the radicalized segments of their group ( $R_H$  and  $R_M$  respectively). Thus, there will be two types of individuals: joiners and non-joiners. That will depend on their peacetime income ( $Y^P$ ) relative to income in conflict ( $Y^C$ ), and the valuation of looting ( $l$ ) in a state of violence, as well as the costs of participation,  $\tau$ . For some extremist individuals these costs may even be negative, reflecting historical hatreds and injustice. Looting is more successful the greater is the number of radicalized individuals.

If an individual from any group becomes a joiner ( $J$ ) into the radicalized segment of his group, his expected utility ( $U$ ) takes the form:

$$U_{iJ} = \pi(R_H, R_M)Y^{Pi} + (1 - \pi)(R_H, R_M)(Y^{Ci} + l(R_H, R_M)) - \tau_i \quad (15)$$

Even if income in the state of conflict is low ( $Y^C$ ), one expects that this individual's income in the peaceful state,  $Y^P$  is more than counterbalanced by lootable income ( $l$ ) in the state of conflict. His participation costs ( $\tau$ ) may even be negative. This person is both consumed with hate, and is likely to be poor.

For the person from either group who does not join, ( $N$ ), their expected utility is:

$$U_{iN} = \pi((R_H, R_M) + \lambda)Y^{Pi} + (1 - \pi(R_H, R_M) - \lambda)Y^{Ci} \quad (16)$$

In other words, for this type of individual, the probability of peacetime income is higher by a factor  $\lambda$ , and similarly lower in the state of conflict; this type of individual has a lot to lose from participating in violence. This person must be, relatively speaking, more affluent.

The necessary and sufficient conditions for participating in sectarian rioting are:

$$U_{iJ} > U_{iN} \quad (17)$$

$$\lambda(Y^{Ci} - Y^{Pi}) + (1 - \pi)(R_H, R_M)l(R_H, R_M) - \tau_i > 0$$

A number of points can now be made. First, the quasi-reaction<sup>9</sup> functions of individuals may not always be positive, meaning that a tit-for-tat strategy is not always followed. It is perfectly possible for weaker groups to react to more

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<sup>9</sup> A quasi-reaction function represents reactions by an individual to the group behaviour of the rival community.

violence by the other group by defensively refraining from violence. For example, Mitra and Ray (2010) point out that in India, the Hindu community as a whole tends to predate on the Muslim community, whenever the relative expenditure of Muslims over Hindus rises. If that is true, then there is an aggressor and a target, with the target group acting defensively. In that case, their quasi-reaction function will be negatively sloped.

Secondly, it is possible for non-joiners to fund violence by poorer members of their community towards the other group. In this case,  $\tau(Y_N^P)$ . In this connection an increase in between group polarization will encourage more sectarian violence. Even an increase in within group polarization (greater inequality inside each group) may encourage more violence, if there are more rich funders and more radicalized poor individuals ready and willing to participate in violence.

Thirdly, an increase in lootable income, relative to peaceful income, encourages more violence---this is likely to arise during political transitions or regime changes in countries like Indonesia or Nigeria, or because of a general laxity towards law enforcement by local authorities, as is the case sometimes in certain Indian cities.

Finally, an increase in peacetime income is likely to reduce violence, and the numbers of those who join such conflictual enterprises. This even more likely if there are economic complementarities between the two groups, as identified by Jha (2008). In the Indian state of Gujrat there is no 'communal' (Hindu-Muslim) rioting in Surat, unlike in another city, Ahmedabad, where such rioting is endemic. This is because traditionally Hindus and Muslims depend on each other for their livelihoods (there are occupational complementarities) in Surat, unlike in some other parts where their livelihoods involve competition for resources, and they therefore are more likely to attack each other. Analytically, this would mean peaceful income  $Y^P$  for one group depends on the other group's peaceful income also. In cities like Surat, Hindus and Muslims may have built up positive social capital vis-à-vis each other; this encourages cooperative behaviour. They are also perhaps better acquainted with each other. This also helps the accumulation of 'bridging' social capital (Basu, 2005).

## **5. Conclusions**

In this paper, I have highlighted the salience of identity in explaining conflict, which may be of increasing importance in future directions of conflict research, particularly at a micro-level and in the forms of conflict that are not strictly civil war. I focussed on individual decision making, where identification with the group is salient in driving violent collective action against another group in the context of low-intensity cultural and sectarian conflict. Historical factors and



present-day socioeconomic factors matter. An ideal society, one that is tolerant of difference as described by Rawls (1999), is perhaps what we are aiming for in terms of policy.

As far as civilizational conflict is concerned, excessive deterrence against potential dissidents may backfire. These include heavy handed policing and the proscription of Muslim practices. It may produce more militancy and swell the ranks of the disaffected, and increases the danger of both vandalism and terrorist violence. Secondly, space needs to be created so that most Muslim migrants are able to merge their personal identities within their adopted European homelands. This includes developing a personal imperative to be tolerant of difference. This will serve to increase the costs of admonishing other group members for adopting behaviour in conformity with the 'other-identities' that make up their complex personal identity. Policies that make it difficult to be both European and Muslim are bound to be self-defeating. Many of the perpetrators of the London bombings were well integrated second generation immigrants before becoming radicalized. Thirdly, economic discrimination, the horizontal inequalities faced by Muslims in Europe, needs addressing. Otherwise policies of integration or assimilation are bound to fail. This requires a strengthening of equal opportunity policies and laws to deal with the systematic disadvantage, particularly in labour markets, faced by Muslims in Western Europe, as pointed out by Stewart (2009). Radicalization amongst Muslim minorities may be less significant in societies where they face less identity based inequality of opportunity, as in the USA or Canada. Economic progress will reduce the power of the ghetto by permitting exit from the ghetto; allowing individual Muslims to act more on the basis of their 'other' identities, and raise the costs of luring them back into 'distasteful' and dubious own identity based violence like rioting or terrorism.

One common feature running through both civilizational and sectarian conflict is the presence of an alien 'another' in the midst of a so-called different majority. Curiously, Muslims figure in both my examples: as they are the undesirable aliens in the context of Europe, as well as India.

The easing of sectarian conflict in developing countries requires poverty reduction and the stemming of the inequalities produced by economic globalization. Declining poverty raises the attractiveness of peaceful income, rather than the earnings related to loot and violence. The inequality produced by globalization produces richer sectarian individuals who fund sectarian causes, leaving it to their poorer brethren to enact the violence. Hence social safety nets and the public provision of health and education that combat poverty and lower inequality are important. Localized institutional functioning also needs addressing. This includes the often virulently sectarian outlook of local governments, such as the government of the Indian state of Gujrat. Furthermore, getting to know the "other" via more bridging social capital between communities

is also important in building peace, as are the advantages of peaceful income to individuals.

The historical dimensions of sectarian (communal) conflict cannot be overemphasized, although beyond the scope of this work. They have their roots in the nationalist movements in British India, and the struggle for independence, and may even go further back in history. Brass (2003) points to the historiography (encouraged from British times) that is pervasive in modern India. In that discourse, there is first an older/ancient Hindu period roughly up to the 12th century (where the salience of the Buddhist reformation and the Hindu counter-reformation is often conveniently forgotten), followed by a period of Muslim conquest and dominance which is usually viewed as a dark age for the Hindu majority, leading finally to British rule from the 18th century, culminating in the nationalist struggle and independence in 1947.

In contemporary India, the Muslim collective identity is sometimes associated with the medieval period in Indian history, an era of decline, and as something alien to true Indianness. Muslims are also blamed for the creation of the breakaway state of Pakistan. Most Muslims in South Asia are, however, not descended from foreign migrants, but are indigenous South Asian converts to Islam. Brass (2003) points out that Muslim enclaves in India are often regarded in the communal discourse as representing mini-Pakistans. In short, the 'Indianness' of Muslims in post-independence India is suspect, and they may be regarded as 'outsiders'. Their potential disloyalty has fed communal violence in its hatred dimension, in addition to the economic factors we have outlined. Equally, it is also important to understand the complexities of the Muslim identity; there is a sense of belonging of Muslims to an Islamic world that can transcend South Asia, although this does not preclude good citizenship within any of the South Asian states that followed British departure in 1947. Muslims in India have a sense of loss of their identity and cultural positioning, exemplified much long ago (in 1888) in the verse of the Urdu poet, Altaf Hussein Hali, and spawned out of his palpable fear for the future marginalization of South Asian Muslim culture.<sup>10</sup>

In the post-Nehruvian period, and since the 1980s in particular, militant Hindu parties such as the BJP (Bharatiya Janata Party), related to older militant parties such as the RSS (Rashtriya Shyamsevak Sangh) have gained a foothold in

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<sup>10</sup> Farewell O Hindustan-----

We your homeless guests have stayed too long

We were convinced that adversity would befall us in time

And we O Hind would be devoured by You

by Altaf Hussein Hali (1888)---Shikwa-e-Hind (Complaint to India) quoted from Jalal (1999).

Note Hind is the Arabic word for India.

mainstream Indian politics at both the state and national levels.<sup>11</sup> These parties are wedded to concepts of Hindutva (Hinduness), where Muslimness may be seen as an outside culture and influence. Incidents such as the destruction of the Babari Mosque in Ayodhya in 1992, and the riots in Gujarat in 2002 (where even the state Premier was implicated as being complicit with the violence against Muslims) are examples of the most egregious events in recent communal strife in India. Ultimately, the flawed nature of Indian democracy and its political process, which institutionalizes communal politics, needs addressing. As Brass (2003) has pointed out, Hindu-Muslim conflict is not just a spontaneous event, as is commonly described, but is very much part of the politics of post-Nehru India. Brass (2003) also argues that the ascription of communal violence, however, to spontaneous combustion is very much part of a blame shifting exercise to explain away its deeper causation. Ultimately, communal harmony requires acceptance by all of a permanent South Asian place for Islam, and as something which is not evanescent but part and parcel of its domestic landscape.

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<sup>11</sup> Even, Mahatama Gandhi (1927) characterized Muslims as mainly bullies and Hindus as mainly cowards, following the outbreak of Hindu-Muslim violence during the 1920s. Ironically, this may have spawned Hindu militancy.

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