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Inclusive Institutions and the Onset of Internal Conflict in Resource-rich Countries

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Abstract

The literature on institutional determinants of intra-state violence commonly asserts that the presence of multiple political parties reduces the conflict potential within countries; by co-opting oppositional groups into an institutionalized political arena, dissidents would prefer parliamentarian means over violent rebellion in order to pursue their goals. The present paper shows that this proposition does not necessarily hold for fuel-abundant states. In the presence of natural resources such as oil or gas, countries exhibiting numerous non-competitive parties are actually more susceptible to internal conflict. Fortified by the establishment of legal political parties, regime opponents succumb more easily to the prospects of securing resource revenues, adopting rapacious behaviour. Fuel-related internal grievances as well as the opposition's disaffection over the lack of effective political leverage and government use of political violence provide a seemingly legitimate motive for armed rebellion. Moreover, financial means for insurgency are raised by extortion or the possibility of selling future exploitation rights to natural resources. Logit models using different estimation techniques and alternative operationalizations corroborate the proposed claim. The argumentation is further illustrated by a depiction of the Colombian case.

Keywords: intra-state conflict, natural resources, political parties, democracy, Colombia

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Zusammenfassung

Politische Parteien und der Ausbruch innerstaatlicher Gewalt in ressourcenreichen Ländern

Studien über die institutionellen Determinanten innerstaatlicher Gewalt legen nahe, dass die Präsenz multipler politischer Parteien das Konfliktpotential innerhalb der Länder reduziert. Es wird behauptet, dass Parteien oppositionelle Gruppierungen in eine institutionalisierte politische Arena kooptieren und somit anstatt der Anwendung gewaltsamer Rebellion die Verfolgung parlamentarischer Maßnahmen fördern. Der vorliegende Artikel zeigt, dass diese Prämisse nicht für ressourcenreiche Staaten gilt. Bei gleichzeitigem Vorhandensein von natürlichen Ressourcen wie Öl oder Gas und nicht-kompetitiver Multiparteiensysteme steigt die innerstaatliche Konfliktwahrscheinlichkeit. Gestärkt durch die Einrichtung legaler politischer Parteien und geleitet von der Absicht, die Ressourcengewinne zu kontrollieren, greifen Dissidenten eher zu Waffen. Ressourcenbezogene Missstände sowie die Unzufriedenheit Oppositioneller über mangelnde politische Einflussmöglichkeiten und die Anwendung staatlicher Unterdrückung liefern dabei offenbar legitime Motive für gewaltsame Aktionen. Zudem wird in vielen Fällen die Finanzierung rebellischer Aufstände z. B. durch ressourcenbedingte Erpressung ermöglicht. Ergebnisse von Logit-Modellen unter Anwendung unterschiedlicher Schätzverfahren und alternativer Operationalisierungen unterstreichen die vorgetragene Argumentation, welche durch die Schilderung des kolumbianischen Falls zusätzlich veranschaulicht wird.

Inclusive Institutions and the Onset of Internal Conflict in Resource-rich Countries

Tim Wegenast

Article Outline

1 Introduction

The logic underlying the political economy of natural-resource-rich countries is unique. Commodities such as oil, gas, gold or diamonds are believed to have special properties that shape the internal political equilibrium of countries, having long-lasting consequences for their economic development. Giving rise to rapid wealth, natural resources may lead to overvalued national currencies, rent-seeking behaviour, greed, grievance, weak institutions and authoritarianism. Being a very narrow and immobile source of income, these primary goods also increase elites' incentives to influence the policy-making process, blocking any governmental measure contrary to their personal interests.[1]

Following this reasoning, a growing body of literature has advanced our knowledge of the relationship between natural-resource abundance and conflict propensity. According to many authors, primary commodities increase the risk of civil-war initiation by providing an opportunity to finance large-scale violence as well as a motive for the opportunistic behaviour of rebel groups (see, e.g., Collier and Hoeffler, 2004; de Soysa, 2002). Others claim that resources instigate predatory rent-seeking behaviour that simultaneously depresses the quality of institutions and the state's counter-insurgency capacity (see, e.g., Fearon and Laitin, 2003; Fearon, 2005).

A parallel strain of the literature has focused on the institutional determinants of internal violence. Scholars have concentrated on political characteristics such as the type of regime in place, the electoral system, electoral competition, the structure of the legislation, executive power, federalism or secure property rights in order to explain why some states are more conflict-ridden than others. Surprisingly, the question of how these different political rules mediate the likelihood of conflict within natural-resource-rich countries remains largely unexplored.

This paper seeks to address this shortcoming of the literature by asking how formal political institutions may affect the outbreak of internal violence in countries with abundant natural oil and gas resources of their own. In particular, it analyses whether the establishment of multiple political parties affects the risk of civil conflict occurring in the presence of natural resources. As has been pointed out by several authors already, political parties may co-opt broad segments of society into the political system, "encapsulating" potential oppositional forces and thereby ensuring regime stability and peace (O'Donnell, 1973; Linz, 1973; Lijphart, 1977). Absorbed into an institutional framework, possible dissidents opt for legal, parliamentarian means rather than resorting to violence in order to articulate their interests and pursue their political goals. In this sense, political parties serve as a forum in which demands can be expressed without appearing as acts of betrayal or insurgency. As noted by Gandhi and Przeworski (2007, p. 1283), "[l]egalized opposition becomes domesticated opposition". Through their inclusive character, parties are expected to decrease the likelihood of conflict.

For many autocrats, however, the concession of political parties may be a mixed blessing. While parties may prevent unsatisfied and disaffected members of the elite or the population from undertaking violent opposition, they are often associated with a loss of political control. New parties may not behave according to the interests of the autocratic government. They introduce the risk of producing outcomes that contradict the ruler's preferences. This paper argues that the political co-optation of opponents is especially troublesome within a resource-rich environment. The main research question is whether the establishment of multiple political parties promotes peace or rather instigates civil conflicts in fuel-abundant states.

By establishing political parties, dissidents may broaden their geographic scope of influence, enjoy greater media coverage and recruit more followers, strengthening their posi-

tion within the country. In giving political power away, rulers may lose part of their capacity to control these societal groups, who may take advantage of this window of opportunity to unleash violent revolts. Under these circumstances, oil and gas may act as a kind of "honey pot" (de Soysa, 2000, p. 115), providing incentives for profit-seeking groups to engage in greed-motivated and mutinous behaviour in order to gain control over resource revenues. Moreover, fuel may endow rebels with the financial means for predatory behaviour. Insurgents may, for example, extort money from those who extract resources (e.g. by kidnapping or blowing up pipelines) or sell future mineral rights. Last of all, through the establishment of political parties, dissident groups may legally gain state control over key bodies managing revenue distribution.

Besides possibly acting as a "honey pot" and making rebellion financially feasible, the unequal distribution of fuel wealth may provide a seemingly legitimate motive for rebellion. Certain ethnic groups or geographic regions may feel deprived, demanding their "fair share" of the country's resource revenues (see Humphreys, 2005). Furthermore, resource-abundant states are often also characterized by higher social inequality, poverty, political corruption and less education. This state of internal grievance provides armed groups with a "noble cause", facilitating the recruitment of active followers and sympathizers within the population. Finally, oppositions' frustration over the lack of effective influence and governments' use of political violence against challenging parties may persuade opponents to use violence as a last resort.

Logistic regressions confirm the paper's claim that a non-competitive multi-party system increases the likelihood of internal violence occurring in resource-rich countries.[2] The empirical results contradict the general belief that inclusive institutions enhance peace and question the usefulness of samples from all countries when studying the institutional determinants of intra-state conflict. Rather, it seems the logic of resource-rich states is different, as governments' attempts to co-opt the opposition by establishing a multi-party system are hampered within a context of fuel abundance.

The remaining paper proceeds in the following way: the next section reviews the existing literature on the impact of natural resources and political institutions on internal violence. The paper's main argument is subsequently presented, shedding light on why inclusive institutions like multiple parties may instigate insurgency in resource-abundant countries. Section four illustrates the proposed causal mechanisms by analysing the case of the FARC, Colombia's main guerrilla movement. This historical evidence is complemented by a statistical analysis. The employed research design is described in section five, which is followed by the paper's quantitative findings. The last section concludes the paper and indicates areas of future research.

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[2]   A party system will be considered "non-competitive" when there are multiple parties but no alteration in power or when the major political party holds more than 75% of all congressional seats.

2   Review of Research on Resources, Institutions and Internal Conflict

A substantial number of empirical studies corroborate the idea that the extraction of natural resources is associated with a higher propensity for internal conflict to break out through different causal mechanisms.[3] However, the claimed violence-enhancing effect of primary commodities has been increasingly questioned by a number of scholars (see, e.g., Smith, 2004). In fact, Brunnschweiler and Bulte (forthcoming) convincingly demonstrate that resources may actually be associated with a *reduced* conflict potential. Therefore, authors started to focus on the precise conditions under which primary commodities unleash violence (e.g. Collier and Hoeffler, 2005; Humphreys, 2005). Contextual conditions considered by the literature include characteristics of the available resource (Auty, 2001; Ross, 2003a, 2003b; Dunning, 2005, Snyder and Bhavnani, 2005), the technology of exploitation (Le Billon, 2001), the market conditions under which the commodities are produced (Lujala et al., 2005), the property-rights structure (Luong and Weinthal, 2006), the point in time when revenues arrive (Humphreys, 2005) or the per capita abundance of wealth (Basedau and Lay, 2009). The likelihood of civil war occurring may be further influenced by the amount of resource revenues and clientelistic policies that are devised to buy out contenders or effectively suppress protest (Fjelde 2009).

Parallel to these studies on the resource/conflict nexus, a growing amount of fruitful literature examines the political determinants of violence. Scholars have primarily concentrated on a possible link between regime types and civil war so far. A frequently heard claim is that strongly institutionalized environments (e.g. strong democracies) reduce internal violence as they provide a forum for peaceful conflict settlement (see, e.g., Hegre et al., 2001). Furthermore, full democracies provide more public goods and protect individual civil rights, raising the costs of rebellion and reducing citizens' support for insurgency. Keefer (2008, p. 34), for example, argues that governments that are unable to make credible promises to the population, pursuing "policies that give privileged access to government resources to some while doing little for the vast majority of citizens", weaken popular support for incumbents and encourage insurgency.

Consistent autocracies seem to decrease internal conflict as well (see, e.g., Gurr, 1974 or Henderson and Singer, 2000). In contrast, inconsistent political regimes (i.e. polities with both democratic and autocratic characteristics) are believed to spur rebellion as they can neither ensure conflict settlement by a legitimized democratic process nor repress political challenges to leadership authority. In semi-democracies, the level of fear and threat of repression do not seem to be sufficient enough to prevent violent dissent. In fact, many researchers find that the relationship between political regimes and risk of civil war follows an inverted U-shape (Fearon and Laitin, 2003; Hegre et al., 2001; Sambanis, 2004).

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[3]   For an extensive overview of the possible mechanisms driving the relationship between natural resources and civil war, see Humphreys (2005) or Ross (2004, 2006).

Carey's work (2007) challenges the parabolic relationship between semi-democracies and conflict found in previous studies. While so-called "anocracies" do not affect the risk of insurgency, the author finds that single-candidate and multi-party elections decrease the probability of violence breaking out compared to environments with no executive elections. Carey's message is clear: "any election is better than no election" (ibid., p. 59). Her work reveals the need to use more specific measures of political-regime characteristics when analysing outcomes such as the outbreak of civil war. In a recent paper, Vreeland (2008) also questions the relationship between anocracies – as defined by the middle of the Polity index of political regimes (see Gurr, 1989) – and internal violence. The author criticizes the components of the widely employed Polity index since it includes a factional category, making the relationship tautological.[4] Once these factional components are removed from the index, the association disappears.

The idea that inclusive institutions can co-opt the potential opposition into the political system – already addressed by O'Donnell (1973) – has a long tradition within Political Science. Recently, Schneider and Wiesehomeier (2008) demonstrated that rulers encouraging power-sharing institutions such as proportional electoral systems lower the risk of violence in diverse societies. Disaffected or greedy groups seem to be more easily absorbed under these conditions.[5] Federalism is believed to co-opt regional elites into the power structure as well, significantly reducing the likelihood of violence (Saideman et al., 2002; Brancati, 2006; Schneider and Wiesehomeier, 2008).

Inclusive institutions seem to offer a forum for mounting opposition to express their dissent, thereby reducing the readiness for rebellion. According to Ghandi and Przeworski (2006, p. 15), legislatures may "absorb the political energies of groups that otherwise might attempt to overthrow the dictator". Participating in legislatures and political parties, the opposition may pursue its goals within the framework of an autocratic system and "may prefer limited influence to interminable waiting" (ibid., p. 14). Wright (2008) stresses that through the creation of legislations and political parties, the ruler grants the moderate opposition a forum in which they may present their demands. As such, possible dissent can be revealed without appearing as an act of insurgency. Moreover, legislatures "serve as means to constrain and split the opposition by making some of the opposition – those permitted in the legislature and formal party system – dependent on the dictatorial regime for their survival" (ibid., p. 328). In his seminal work, Lijphart (e.g. 1977, 1999) also advances the possibility of appeasing social forces by the establishment of co-optation rules that encourage power-sharing. Golder (2005) shows that some autocracies became more stable after the introduction of non-competitive elections.

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[4]   This factional category contains cases in which political competition is described as being "intense, hostile and frequently violent. Extreme factionalism may be manifested in the establishment of rival governments and in civil war" (Gurr, 1989, p. 12).

[5]   Reynal-Querol (2005) reached similar conclusions: inclusive institutions such as electoral rules based on proportional representation rather than majoritarian systems diminish the risk of internal violence.

This discussion of the literature reveals that it is only recently that researchers have begun to open the black box of democracy. Although Huntington (1968) asserted that multiple parties have a stabilizing effect on the tenure of autocratic rulers, empirical evidence of the link between party systems and the onset of civil violence is still scant. Carey's finding that multi-party executive elections reduce the risk of insurgency reported above is limited to sub-Saharan Africa (Carey, 2007). Schneider and Wiesehomeier (2008) underline that an intermediate number of parties increase the conflict potential in fractionalized societies.[6] Their conclusions, however, are based exclusively on a sample of democratic countries and are restricted to highly fractionalized societies. Moreover, to the best of my knowledge, there has been no attempt to study this relationship specifically within fuel-abundant states. So far, the various lines of literature assessing the impact of natural resources and political institutions on internal conflict propensity have evolved independently of each other.[7] Given that resource-rich countries present a unique political economy, it is certainly legitimate to ask whether the conclusions reported above also apply to them.

The present article can be viewed as a first attempt to unify the literatures on the institutional and geographic determinants of civil wars. It seeks to further our understanding of how institutional arrangements such as the number of political parties may shape the interaction between state and non-state actors in a context of high fuel revenues affecting the propensity for internal violence. For this purpose, it will draw on institutional characteristics that are common to both autocracies and democracies. This is important, given that authoritarian regimes experience many more intra-state conflicts than democratic ones do.[8] The next section elaborates on the paper's main claim, pointing out why the presence of multiple political parties may positively affect resource-rich countries' susceptibility to internal conflict.

3 Political Parties, Fuels and the Temptation of Rebellion

According to many of the studies presented above, governments often rely on nominally democratic institutions in order to solicit the co-operation of outsiders and thwart the threat of rebellion. Nevertheless, it has to be stressed that rulers are reluctant to promote more in-

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[6] See also Wilkinson (2004).

[7] Several authors have already pointed out that the negative effect of resources on economic growth is conditioned by institutions. Among the studies showing that the effect of resources on economic development depends on institutional features such as the quality of the bureaucracy, rule of law or the risk of expropriation of private investment, the following ought to be mentioned here: Luong and Weidenthal, 2006; Olsson, 2007; Boschini et al., 2007 and Kolstad, 2007. Similar studies analysing the relationship between resources and civil conflict are rare, if not non-existent.

[8] The employed data reveals that almost 75% of all intra-state conflicts (conflicts in which there were more than 25 battle deaths in at least one conflict year) between 1946 and 2006 occurred in autocratic countries as defined by Przeworski et al. (2000). Thus, studies relying purely on democratic institutional features in order to explain internal violence are of limited empirical relevance.

clusive institutions that encourage power-sharing. When establishing legislations, parliaments or political parties, rulers always run the risk of losing control over policy-making. King Charles I of England is a notorious example. By convoking Parliament in 1640, he expected to obtain money to finance his military venture against the Scottish Covenanters in the Bishops' Wars. Because Parliament insisted on discussing domestic grievances occasioned by the royal administration instead of granting financial support for the war with Scotland, it was dismissed by the King after only three weeks. This episode, known as the Short Parliament, was followed by the English Civil War and the execution of Charles I.

Cases such as King Charles I's struggle with Parliament indicate that policy concessions – like multiple parties – only represent an effective mechanism with which rulers can counter the risk of rebellion if they can be tightly controlled by the autocrat. Political parties may empower different societal groups who manage to mobilize political followers. In general, resource-rich authoritarian countries are believed to avoid the establishment of inclusive institutions as possible discontent is dissipated by distributing spoils. As outlined by Gandhi and Przeworski (2006, pp. 2-3), the *rentier* state (Karl, 1997) needs little co-operation from outsiders as it can rely on sharing rents from natural resources in order to counter the threats emanating from dissidents.[9] Consequently, these countries make fewer institutional concessions. In a similar vein, Fjelde (2009) demonstrates that oil-wealthy governments can rely on political corruption in order to buy the consent and thereby co-opt key segments of society. Analysing the relationship between resource endowments and political regimes, Haber and Menaldo (2007) reach different conclusions, however; on performing a sensitivity analysis, the authors did not find that natural-resource wealth had any long-term impact on political regimes.

Table 1 below plots autocratic states according to their resource wealth and the number of political parties in operation in them. Following the classification proposed by Przeworski et al. (2000), a country is considered a dictatorship when at least one of the following explicit objective criteria holds true: the chief executive and the legislature are not competitively elected, there is no more than one party competing for office or there has been no alteration in power. Regarding resource wealth, countries are classified as fuel-abundant if their annual per capita oil and gas production exceeds the 90th percentile of all the countries in the sample.[10] The variable measuring the number of political parties within legislatures comes from

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[9]   Two other authors advocating that rulers of resource-abundant countries rely mainly on rent distribution instead of granting credible commitments in the form of inclusive institutions in order to stay in power are Wright (2008, pp. 322-323) and Keefer (2008, p. 48).

[10]   The data on fuel production comes from Humphreys (2005). It is important to note that this paper concentrates on resource abundance rather than resource dependence (as measured by the total export of fuels per GDP, for example). Basedau and Lay (2009) point to the necessity of making a clear distinction between resource wealth per capita and resource dependence when assessing conflict likelihood. Following the paper's argumentative line, it can be assumed that the availability of high per capita revenues from oil and gas (rather than the importance of fuels within the country's export structure) particularly provides a motive and means for rebellion.

Gandhi and Przeworski (2006). It takes the value of 0 when there are no parties or when there are multiple parties, but no legislature, 1 where there is one party and 2 in case there is more than one autonomous party in the legislature.[11] As evidenced by Table 1, around 62 per cent of the autocratic, fuel-abundant states have no parties or legislations. Nevertheless, almost 12 per cent of them do exhibit more than one autonomous party.[12] Regardless of the reasons for the establishment of multiple parties, this paper assesses the consequences of maintaining these in clusive institutions for the internal violence propensity of resource-wealthy countries.

Table 1: Number of Parties across Fuel-abundant and Fuel-scarce States

Number of political parties within legislature	Fuel-abundant	Fuel-scarce	Total
0	264 61.97%	726 21.77%	990 26.32%
1	111 26.06%	1,493 44.77%	1,604 42.65%
2 or more	51 11.97%	1,116 33.46%	1,167 31.03%
Total	426 100%	3,335 100%	3,761 100%

Source: Author's own compilation

Political parties help opposition groups to organize themselves, possibly granting them some influence over policy-making. Wrapped in the mantle of parties, dissidents may broaden their geographic scope, enjoy greater media coverage, get access to public funds as well as to key bodies governing the distribution of resource revenues, and recruit followers more easily. Fortified by formal institutions, they may be tempted to resort to armed rebellion when natural resources provide a stark motive and the necessary financial means. Under these conditions, the opportunity costs of dissent are reduced since the opposition is better organized, the expected value from victory (viz. control over resource revenues) is high and there are means to finance the undertaking. Enjoying enhanced articulation capacity and the support of broader groups within society, oil and gas may pose a temptation to depose incumbent rulers or seek secession. According to Fearon and Laitin (2003), the presence of oil and gas increases the "prize" value of capturing the state. In a nutshell, it can be said that when there are fuel revenues involved, the stakes of political competition are higher, encouraging rival parties to use violence in order to gain exclusive control over the state and oil revenues.

The struggle over the control of oil or gas production is believed to be the driving force behind various episodes of internal violence such as the civil wars in Angola, Colombia, the

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[11]   The authors ignore multiple parties existing outside the legislature because "the parties are not an instrument of the dictator" (ibid., p. 16). These cases are rare. The data was kindly provided by the authors.

[12]   When the 75th percentile is used to define resource richness, 32% of fuel-abundant states exhibit multiple parties.

Congo Republic, Indonesia and Sudan (see Ross, 2004). Humphreys (2005) provides a persuasive illustration of how the lure of oil can promote conflict. The author notes that in his last speech before the *coup d'état* in 1975, Chad's president Tombalbaye announced on national radio that the reason for the army coup against him "lay with the oil in the Doba fields in the south" (ibid., p. 508). In a similar vein, Collier and Hoeffler (2006) show that resources can unleash conflict through secession attempts motivated by economic interests. Describing the cases of Nigeria and the Democratic Republic of Congo, the authors demonstrate that the discovery of oil brought about strong financial incentives to create new regions. Kapuscinski (1985, p. 34) arrestingly notes that "oil kindles extraordinary emotions and hopes, since oil is above all a great temptation. It is the temptation of ease, wealth, strength, fortune, power".

In the majority of cases, holding a political position is an important precondition for gaining official control over the acquisition and distribution of resource rents. The establishment of political parties may facilitate access to key bodies that control resource revenues. This is not only evident in the Colombian case, which will be illustrated in the following section, but also in countries such as Nigeria, the Congo Republic and others. According to Obi (2001: 173), for example, the Nigerian state is "a site of constant struggles for access to power and resources, in which those in power defend themselves at any cost, and those outside seek entry at any cost and through any means". Lewis (1994) goes as far as characterizing Nigerian politics simply as a process of competition for access to oil revenues. After the Marxist-Leninist single-party state was replaced by a semi-democratic regime in the Congo Republic, the two contending political parties of presidential candidates Pascal Lissouba and Denis Sassou-Nguesso fought fiercely over oil control. The political conflict eventually led to a bloody civil war in the year 1997 (see, e.g., Ross, 2004).

In addition to the greed-motivated attempts at controlling resource revenues, violent rebellion seeking to overthrow governments may also be driven by internal political grievance. Disaffected over not having effective leverage over the decision-making process and distressed over political repression against them, the opposition may resort to non-parliamentary means in order to achieve political control. Realizing that coming into power by a regular legislative process is impossible, dissidents are likely to take up arms. Political repression such as the promotion of fraudulent elections, the imprisonment of the opposition, political murder or the banning of parties may provide a seemingly legitimate motive for ending grievance and tyranny.[13] These real or imagined grievances are designed to legitimize violence. For this purpose, insurgents may count on the sympathy and support of the population. In fact, a growing number of studies argue that as state violence increases and be-

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[13] According to Collier (2000, p. 97), "the true cause of much civil war is not the loud discourse of grievance, but the silent force of greed". Although this might be pertinent in some cases, it is virtually impossible to disassociate the true intentions lying behind insurgents' actions. In fact, Korf (2005) argues that greed and grievance are causally linked and reinforce each other. Humphreys (2005, p. 511) notes that the introduction of these terms "is unfortunate, not least because the distinction between them appears to be a moral rather than a positive one".

comes arbitrary, it fosters rebel support and recruitment. Relying on household and community-level data, Nillesen and Verwimp (2009), for example, find that violent state repression furthered rebel recruitment in Uganda's civil war (see also Mason, 1996). Political violence employed by governments in order to limit the influence of oppositional parties may increase the perceived sense of grievance among dissidents and parts of the population.

Besides supplying a motive, natural resources may also pose an opportunity for rebellion by providing the necessary financial means for it. Le Billon (2001), for example, stresses the opportunity structures for armed insurgents resulting from lootability of resources. The empirical example presented in the next section reveals that fuel-related extortion is commonly employed to finance rebellion. By using the threat of kidnapping or blowing up pipelines, rebels impose so-called "war taxes" on those who extract and sell resources. In addition, internal violence can be funded by selling future rights to extract fuels. Ross (2004) highlights the role of so-called "booty futures" in order to finance rebellion in countries such as the Congo Republic, Sierra Leone or Liberia. Having the chance of securing resources in future combat, rebels "are able to sell future mineral rights to foreign firms or neighboring governments" (ibid., p. 57). Thus, co-opting oppositional groups through the establishment of political parties is a risky undertaking in the wake of mineral resources. Strengthened by parties, opponents may succumb to the temptation of armed rebellion more easily.

Finally, the socio-economic environment induced by resource-richness may constitute a backbone for the opposition's intentions to overthrow the ruling party by non-parliamentary means. Relying on the massive extraction of commodities such as oil or gas may entail undesirable side-effects such as the "Dutch disease", price shocks, neglect of education, rent-seeking or the uneven distribution of revenues (see, e.g., Gylfason, 2001). Oil money is often spent on ostentatious new palaces and shopping trips for government officials; it is rarely used to improve the lives of the majority of citizens, often even furthering poverty and social inequality. In addition, the process of resource extraction may be associated with social disruptions caused by forced migration, environmental damage and the loss of land rights (Ross, 2004, p. 41). Taking these serious drawbacks into account, it is not difficult to imagine that regime opponents – organized around political parties and promising to put an end to this unjust situation by any means – enjoy considerable support within the population. In addition to the prospect of "a better future", individuals often join rebel organizations driven by materialistic motives such as higher salaries (see Sanín, 2008).[14]

To elucidate the proposed mechanisms further, the next section depicts the specific case of Colombia, where internal violence is often associated with the extraction of natural resources such as oil or coca and where the guerrilla movement was able to count on a legal political party as a vehicle to express its dissidence.

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[14]   The author provides a detailed analysis of the reasons individuals join the armed guerrilla forces in Colombia.

4 Historical Evidence: The Case of Colombia

Colombia's FARC (*Fuerzas Armadas Revolucionarias de Colombia*) is one of the best-known guerrilla movements in the world. Emerging as the armed wing of the Colombian Communist Party in the 1960s, the leftist revolutionary group has violently opposed the government ever since then. The FARC depict themselves as altruistic martyrs for social justice, who, according to spokesmen of the organization, are seeking to relieve 30 million Colombians from poverty (see Giraldo et al., 2003, p. 90). Criticizing the exploitation of the peasants and the working class by the ruling elite, Raul Reyes – a Secretariat member of the FARC who was killed recently – noted that "the essence of the confrontation between the State and the guerrilla[s] is class struggle" (Orozco, 2002, p. 101).

Given Colombia's high social inequalities, internal grievances can be viewed as a primary mobilization factor for the FARC's activities. Undeniably, the political motivation of the rebel group is still present nowadays. The organization is widely believed to be the legacy of a "long and endogenous process of accumulation of peasant armed resistance" (Sanín, 2004, p. 263). However, considering that a large part of the country's potential oil reserves lies in guerrilla-controlled territory, one should not disregard greedy intentions as a possible (and, indeed, important) driving force for the movement's course of action. Sanín (2004, p. 257), for example, notes that "only very few people with knowledge of the country would describe the guerrillas as altruistic, or as carriers of genuine grievances". Pearce (2004) reports on the FARC's efforts to control the distribution of oil revenues within two fuel-rich regions (Arauca and Casanare).

Various studies have stressed oil as a key determinant of internal conflicts within Colombia (Ross, 2004; Pearce, 2004, 2007; Dunning and Wirpsa, 2004). Irrespective of the true motives underlying insurgency, one should focus on the opportunity for rebellion posed by natural resources (Collier and Hoeffler, 2004).[15] Rather than simply granting them a motive, oil actually enables the FARC and other Colombian rebel groups to embrace armed violence. By threatening to blow up pipelines and kidnapping contract workers,[16] the Colombian guerrillas collect protection money from oil extractors, filling the movement's coffers and allowing it to expand.

A German contractor that participated in the construction of the Caño Limón-Conveñas pipeline, for example, is believed to have paid four million US dollars in extortion money to the National Liberation Army (*ELN*), the country's second-largest guerrilla group.

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[15] Refuting the "criminal rebels thesis", Sanín's in-depth case study of Colombian internal conflicts suggests that the "Colombian war has become increasingly criminal and, at the same time, increasingly political" (Sanín, 2004, p. 258). According to the author, purely "greedy wars" are doomed to failure and modern civil wars do not fit into the greed and grievance dichotomy.

[16] The so-called *vacuna* is a quota raised by the guerrillas that theoretically prevents the payer from being kidnapped. The FARC's "Law 002" stipulates that every business worth over a million dollars is subject to a "war tax" (see Pearce, 2004, p. 14).

The total oil-related extortion and ransom money in the late 1990s was around 140 million US dollars per year (as quoted in Dunning and Wirpsa, 2004, p. 87). These two authors cite an executive at Occidental who testified that their contractors pay the "war-tax" to the rebels and that local workers "find themselves obliged to pay for their 'protection' or put at risk the security of themselves and their families" (ibid., p. 88). A total of 170 attacks on the Caño Limón-Conveñas pipeline were registered in the year 2001 (Ferrer, 2000, p. 6). Between 1988 and the middle of 1989, damage to pipelines cost the government nearly 400 million US dollars (Pearce, 1990, p. 283). Approximately half of Colombia's troops were deployed to protect the country's oil and mining installations in 1996.[17] Thus, the size of the guerrilla group is considerable. In the early 2000s, the FARC controlled 58per cent of Colombia's municipalities (Richani, 2003, p. 144) and counted on 18,000 members (Sweig, 2002, p. 122).

Politically, the FARC was fortified by the emergence of the Patriotic Union (*Unión Patriótica* or *UP*), which served as the political branch of the organization. The party resulted from peace negotiations between the guerrillas and the Conservative Belisario Betancur administration in the year 1985 and is considered to be the "first Colombian organization to result from the government's dialogue with guerrillas" (Osterling, 1989, p. 193). Prominent FARC leaders were among the original founding members. Representing a legal alternative to the two established political parties, the Patriotic Union enabled the enforcement of the rebels' cause through parliamentarian means. Sanin (1989, p. xx) notes that "[t]he UP was to channel the demands of the guerrillas and of scattered democratic left[-wing] forces through the democratic system."

Overall, the UP served the FARC's recruitment purposes and was an effective PR tool, spreading the guerrillas' ideological propaganda. According to Dudley (2004, p. 79), the UP's political rallies "attracted a wide cross section of people that had never before worked together. Academics, lawyers, housewives, small farmers, blue-collar labourers, and students joined to listen and applaud the new party."

Moreover, the party expanded the territorial influence and social reach of the rebels. Richani (2002, p. 65), for example, acknowledges that the UP "allowed [the] FARC to expand its political activism in urban centers and gain some foothold within sectors of the working class and urban middle class."

The elections of 1986 and 1988 are largely regarded as key events as the UP tried to gain control over the main bodies that distributed resource revenues, especially within the oil-rich provinces of Arauca and Casanare (see Pearce, 2004). The prospect of amassing oil royalties caused the existing parties to be "at the loggerheads for political control" in the Sarare region (ibid., p. 20).

In the 1986 parliamentary elections, the UP elected twelve members of Congress, 21 deputies in departmental assemblies and gained representation in more than 170 municipal

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[17]   See Oil and Gas Journal, 97 (48): 21 (29 November 1999).

councils (Osterling, 1989, p. 197). Most of these departmental and municipal positions were achieved in areas controlled by the FARC such as the department of Meta, where the party was assigned a total of seven mayoralties. Compared to the results of former leftist parties, the elections "represented a success for the new political movement" (ibid., p. 197). The UP's presidential candidate, Jaime Pardo Leal, won 4.5 per cent of the votes in the presidential elections, a "considerable growth over that of previous leftist presidential candidates" (Hartlyn, 1988, p. 229). In economically more depressed and underpopulated regions such as in Arauca or Guaviare, Pardo Leal received 51 per cent and 73 per cent of all the votes respectively. When the direct popular elections of mayors took place for the first time in 1988, the UP won 16 of the 1,009 mayoralties and participated in winning coalitions in a number of areas (Pearce, 1990, p. 228).

The UP's electoral advances constituted a threat to the traditional political and economic forces within the country. Paramilitary groups – contracted mainly by large landowners with the open support of Colombia's armed forces – started a systematic terror campaign against the UP's officials. The party was almost completely annihilated between the late 1980s and early 1990s. More than 3,500 party members were either murdered or disappeared, a scale of political violence that "not only increased rebel suspicions but lowered the prospects for the eventual creation of a democratic leftist political party" (Pardo, 2000, p. 72).

Jaime Pardo Leal, UP leader and presidential candidate, was murdered in late 1987. In the two months preceding the popular election of mayors, seven UP candidates were killed (Pearce, 1990, p. 227). Senator Manuel Cepeda, the highest remaining elected UP official, was assassinated by Colombia's military intelligence in 1994. The political terror suffered by the UP provided strong military arguments for the FARC's cause. The organization and its sympathizers often used the destruction of the *Unión Patriótica* as justification for the violence employed against the Colombian state. Shifter (1999, p. 15), for example, acknowledges that "[a] good deal of the mistrust that today blocks any peace effort between the FARC and the Colombian government can be traced to this traumatic period."

The short depiction of the Colombian case illustrates how oil may promote internal instability within weakly institutionalized and non-competitive political environments. The prospect of controlling oil production, motivated by either greedy behaviour or political goals, can be largely viewed as an important driving force for guerrilla action. The analysis also shows that oil may grant an opportunity for rebellion even if its production is not directly controlled by the insurgents. Oil-related extortion and kidnapping made large-scale violence feasible, providing resources to recruit combatants or to buy food and weapons. Furthermore, the establishment of a legal political party contributed to the rebels' cause in different ways. Through its political engagement, the FARC was able to address a broader constituency, thereby expanding its territorial reach. Also, the movement was able to fight over the political control of key bodies responsible for the distribution of oil revenues. Moreover, the UP helped recruit more members for guerrilla activities. Finally, internal grievances

linked to the systematic terror campaign waged against the UP provided the FARC with strong motives for continuing its armed violence.

At this point, it is important to note that descriptive evidence of the outlined causal mechanisms is not merely limited to Colombia. The country was primarily chosen as an illustrative case due to the extensive availability of secondary literature. Furthermore, it is characterized by oil abundance as well as dependence and, for many years, was marked by a multi-party authoritarian regime in which one political party showed close ties to rebel movements. Two other similar cases that could have been depicted are Nigeria or the Republic of the Congo, for instance.

The adoption of a multi-party system led to an explosion of internal violence in Nigeria. The transitional process apparently opened up a range of political opportunities for specific ethnic religious groups. Analysing the country's situation, Ukiwo (2003:120) states that in the

> circumstance that democracy does not go beyond the conduct of multi-party elections to include improvement in the quality of life of the people, there is frustration, and people who already feel alienated from the state are vulnerable and likely to be mobilised around counter-elites who exploit extant popular alienation from the state by whipping up sectarian sentiments.

Political control over oil revenues was a major source of the internal conflicts in Nigeria, as pinpointed by tensions around the politics of the federal government's Poverty Alleviation Programme in the Niger Delta and the resulting uprisings. It can be said that Nigerian politics has been largely characterized by party leaders' attempts to take control of the oil wealth.

The Republic of Congo (Congo-Brazzaville) might serve as another pertinent example of the possible perils of opening up the political system in resource-abundant countries. After the fall of Sassou-Nguesso's dictatorship and the staging of multi-party elections in August 1992, the country was afflicted by severe clashes between government forces, militias and rebel groups supporting the three major candidates Sassou-Nguesso, Pascal Lissouba and Bernard Kolelas. The enduring militia fighting killed thousands of people and culminated in the 1997 civil war. Attempts to gain control over the country's oil production are often seen as a major cause of the internal violence. According to Englebert and Ron (2004, p. 62), their local informants uniformly believed that "greed for petroleum rents in a new and uncertain political context was a major motivation for the war, as political leaders, drawn chiefly from Congo's governing class, struggled for control over the country's oil wealth".[18]

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[18]   The authors, however, also acknowledge that Congo's oil wealth had ambiguous effects on the country's internal stability. Although providing incentives for civil war after democratization attempts, petroleum rents also helped Sassou-Nguesso to consolidate a new patrimonial government, recreating an autocratic, but relatively stable regime. The authors conclude that "resource wealth is likely to tempt rebels only under circumstances of acute political uncertainty, as in the case of Congo's failed democratization effort" (Englebert and Ron, 2004, p. 62).

The next section takes a broader view by expanding the discussion along historical lines and across a number of countries. The intention here is to provide statistical evidence for whether political parties can explain countries' risks of insurgency in the presence of natural resources. A macro-comparative analysis addresses the question of whether multiple parties act as a co-opting instrument that reduces the propensity for civil violence or rather foment perceived grievances or greedy behaviour, instigating internal conflict.

5 Empirical Analysis

To analyse the impact of political parties on internal conflict in resource-rich countries, the study makes use of the Database of Political Institutions (DPI 2006) (Beck et al., 2001). This data set covers 177 countries from 1975 to 2006 and, among many other variables, presents a legislative index of electoral competitiveness (*liec*). The index has a value of 1 if there is no legislature, 2 if there is an unelected legislature, 3 if there is an elected legislature, but only one candidate, 4 if there is one party and multiple candidates, 5 if multiple parties are legal, but only one party won seats, 6 if a number of parties won seats, but the largest party received more than 75 per cent of them, and 7 if the largest party got less than 75 per cent of the seats.[19] This measure will allow an estimation of the effect of multiple parties (whether they are effective or not) on conflict propensity in resource-abundant autocracies and democracies.[20] It has been transformed into dummies reflecting the respective categories (e.g. *liec4* equals 1 if the political system envisages only one party, but multiple candidates).

To measure the onset of internal violence, the UCDP/PRIO Armed Conflict Dataset (version 4/2007) was employed (see Gleditsch et al., 2002). Intra-state conflict is operationalized by an indicator (*violonset*) that has a value of 1 if there is a conflict onset with more than 25 annual battle-related deaths (or at least two years since the last observation of the same conflict).[21] The variable has a value of 0 if no internal conflict started in the year under consideration. Following the suggestion made by Hegre and Sambanis (2006, p. 523), ongoing conflict years are coded as 0s instead of dropping them from the sample, as multiple conflicts happening in the same country are not uncommon. Fearon (2005, pp. 488-489) argues that omitting periods of ongoing war (by treating them as missing cases) "artificially increases the mean of the dependent variable (onset) for countries that had a war, and especially for countries with multiple onsets". The author also recommends coding ongoing conflicts as 0s, es-

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[19] The few cases in between these categories (originally coded as 3.5, 5.5 and 6.5) were excluded from the analysis.

[20] Table A1 in the appendix displays the distribution of the different categories of *liec* across fuel-rich and fuel-poor countries. As can be noted, the general distribution patterns are similar across fuel-abundant and fuel-scarce states, dismissing possible problems arising from self-selection in the different categories.

[21] During the period under analysis, a total of 155 civil-violence outbreaks with 25 or more battle deaths were registered.

pecially if the data set at hand contains concurrent civil conflicts in a single country (which is the case for the UCDP/PRIO data set used in the present paper).

By choosing a lower threshold for the onset of violence (not the 1,000 battle-related deaths in at least one conflict year often employed by the conflict literature), the dependent variable is not limited to civil wars and conflict outbreaks are maximized.[22] Also, in-depth case studies argue that rather than increasing the probability of civil war onset by providing the financial means necessary for it, resources affect the duration of civil wars (see, e.g., Ross, 2004). Employing a lower violence threshold allows a single country to experience a series of smaller-scale conflicts within a shorter period of time. The assumption that oil or gas plays a role in financing these smaller, possibly inter-related conflicts then seems more plausible.

In order to choose the control variables to be included in the model, the results from Hegre and Sambanis (2006) were considered. The authors performed specification tests to check the robustness of 88 variables frequently used by the literature to explain civil war. Their sensitivity analysis suggests that several determinants of the onset of civil war are robust: population size, countries' income level, economic growth, recent political instability, inconsistent democratic institutions, rough terrain as well as war-prone and undemocratic neighbours. All of these independent variables, taken from Hegre and Sambanis' (2006) replication data set, were included in the model.[23] Ethnic fractionalization, polarization or dominance measures were ignored as they showed no significant and robust association with the onset of civil war as measured by UCDP/PRIO.[24] A variable for semi-democracies, commonly defined by taking the middle of the Polity index of political regimes, was excluded as well. As already outlined, this operationalization leads to a tautology (Vreeland, 2008).

All independent variables except for the regional dummy representing the Middle East and North Africa (*mena*) were lagged by one year in order to counter possible reversed causality. The possibility that the number of political parties is endogenous to civil conflict has to be particularly accounted for. As put forward by Gandhi and Przeworski (2006, 2007), the threat of rebellion can be reduced by making policy compromises in the form of conceding to political parties. Thus, the establishment of opposition parties could be a consequence of internal instability. By lagging *liec*, the possibility that multiple parties are a mere reflection of the threat of rebellion is reduced.[25] Furthermore, when *liec* is taken as the dependent variable and *violonset* is moved to the right-hand side of the estimation equation, no statistically significant results for *violonset* can be reported.

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[22] This is important given that observations of countries exhibiting a multiple-party, non-competitive electoral system (*liec5 and liec6*) are rather limited.

[23] See Table A2 in the appendix for further information on the definition and sources of all the variables employed.

[24] Including an ethnic fractionalization index from Fearon and Laitin (2003) as well as an ethnic dominance measure from Collier and Hoeffler (2004) did not substantially alter the results.

[25] Alternative lag-structures were tested (all independent variables, including *lparty*, were lagged up to two years) and results did not change significantly. These estimations are available upon request.

The risk of internal conflict breaking out is estimated using logit models. To minimize problems of temporal dependence on a history of conflict, a variable reflecting the duration since the last event/onset (*peace*) was included in all models, following the recommendation made by Beck et al. (1998). The necessity of employing cubic splines (also suggested by the former authors) was rejected by likelihood-ratio tests. Additionally, "rare-event logit models" as suggested by King and Zeng (2001) were equally estimated. The authors show that when binary dependent variables measure the occurrence of "rare events", standard logit or probit estimations may produce biased coefficients.

6 Empirical Findings

The empirical tests examine whether the number of political parties affect conflict potential differently across fuel-rich and fuel-poor countries. For this purpose, sub-samples representing fuel-abundant and fuel-scarce countries were employed. As already mentioned, all-country samples may mask important differences in the institutional forces driving civil wars. Ufelder (2007, p. 999), for example, correctly asserts that when "we have reason to suspect that causal processes differ substantially for different segments of the population, then we may be better served by breaking our samples into subgroups that represent these segments and estimating separate models for each group."

Tables 2 and 3 below underline the assertion that one has to consider resource-abundant states separately when analysing the impact of institutional features such as the number of political parties on a society's propensity for internal conflict. The statistical significance and size of the *liec4-liec7* coefficients vary considerably across the presented sub-samples.[26] Model I in Table 2 contains all countries (irrespective of their resource endowment). As is evident, multi-party systems in which the largest party obtained more than 75 per cent of all congressional seats (*liec6*) is significantly related to the dependent variable, increasing the likelihood of internal violence. However, when only fuel-scarce states are taken into account in model II, the coefficient for *liec6* drops in magnitude and is barely significant.[27] All the remaining *liec* categories have a negative impact, suggesting that establishing multiple parties may, indeed, co-opt dissidents into the political system (note, however, that none of the coefficients are statistically significant).

In contrast, the presence of multi-party systems in fuel-abundant countries (model III) seems to spur conflict potential considerably. Expressed in odds ratios, the likelihood of conflicts breaking out in fuel-rich states is nearly eight times higher whenever there are several political parties, but one of them holds more than 75 per cent of all the congressional seats

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[26] Note that countries with no legislature, an unelected legislature or one-candidate elections (*liec1-liec3*) serve as the reference category.

[27] In Table 2, countries are considered fuel-scarce when their per capita oil and gas production does not exceed the sample's 75th percentile.

(the likelihood of a conflict outbreak for *liec6* = 1 is four times larger than for fuel-poor states in model II). Moreover, the propensity for violence is almost ten times larger in fuel-abundant countries exhibiting a multi-party system in which only one party holds congressional seats (*liec5* in model III). While the coefficient for *liec5* is negative in model II, it is positive, very large and highly significant in model III.

The findings reported above suggest that rather than appeasing the opposition by co-optation, inclusive institutions such as multiple political parties may foment rebellious behaviour in resource-abundant states. This assertion is corroborated when the concept of resource-abundance is used in more restrictive terms (per capita fuel production above the 90th percentile). Table 3 reports that the likelihood of conflict is approximately 35 times higher whenever *liec5* or *liec6* equal one in the fuel-abundant sub-sample (model III). Thus, the magnitude of both coefficients increases substantially when the definition of fuel richness is narrowed. Once more, the effect magnitude and statistical significance of *liec6* is considerably lower in the fuel-scarce sub-sample. Also, in line with previous results, the coefficient of *liec5* is negative in the presence of fuel scarcity (model II).

As evidenced by model I in both tables, all the independent variables included in it show the expected signs. A high number of neighbours at war (*natwar*), highly populated states (*population*) – proxied by the log of the total population – as well as countries located in the Middle East and North Africa (*mena*) experience a higher likelihood of conflict, while more economically developed countries (measured by the log of per capital GDP – *gdppc*) tend to be spared from internal violence. The other independent variables remain non-significant. All the models were also estimated using "rare-event logit" methods, and the results were nearly identical.[28] Also, the obtained findings proved to be robust to the inclusion or exclusion of different sets of independent variables.[29] Likelihood Ratio Tests of the reported specification against several different nested models revealed that the applied full model has a proper specification. In addition, a stepwise inclusion of all independent variables indicated that the reported findings are unlikely to be driven by multi-collinearity.

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[28]   These results are available upon request.

[29]   In addition to the control variables reported above, measures of social diversity (fractionalization and polarization), political centralization, illiteracy, school enrolment, infant mortality, primary commodity exports and military personnel were equally considered.

Table 2: Dependent Variable: Internal Conflict Onset (violonset)

	Model I (all countries)	Model II (fuel-scarce, below 75th percentile)	Model III (fuel-rich, above 75th percentile)
peace	-0.014 (0.009)	-0.013 (0.011)	0.012 (0.021)
Natwar$_{(t-1)}$	0.411 (0.254)*	0.324 (0.293)	0.280 (0.610)
population (log)$_{(t-1)}$	0.316 (0.071)****	0.314 (0.074)****	0.127 (0.189)
gdppc (log)$_{(t-1)}$	-0.587 (0.173)***	-0.826 (0.229)****	-0.474 (0.331)
partfree$_{(t-1)}$	-0.023 (0.256)	0.175 (0.292)	-0.440 (0.628)
regchange$_{(t-1)}$	0.417 (0.343)	0.097 (0.426)	1.109 (0.654)*
gdpgrowth$_{(t-1)}$	-1.006 (2.442)	1.347 (2.479)	-8.086 (3.478)**
dem_region$_{(t-1)}$	0.049 (0.032)	0.066 (0.035)*	-0.021 (0.064)
terrain$_{(t-1)}$	0.088 (0.084)	0.100 (0.095)	0.143 (0.254)
mena	0.884 (0.404)**	0.395 (0.693)	0.024 (0.737)
liec4$_{(t-1)}$	-0.009 (0.380)	-0.160 (0.452)	0.524 (0.889)
liec5$_{(t-1)}$	0.666 (0.464)	-0.755 (1.054)	2.257 (0.866)***
liec6$_{(t-1)}$	0.788 (0.340)**	0.687 (0.3 99)*	2.060 (0.88 7)**
liec7$_{(t-1)}$	-0.214 (0.365)	-0.144 (0.416)	0.076 (0.856)
constant	-8.504 (1.241)****	-8.406 (1.300)****	-6.268 (3.251)*
N	2,686	1,996	690
Wald chi^2	96.89	73.01	45.25
Prob > chi^2	0.0000	0.0000	0.0000
Pseudo R^2	0.1102	0.1161	0.1903
McKelvey & Zavoina's R^2	0.249	0.259	0.311

Note: logit estimation using robust standard errors (shown in parentheses).
    * = $p<10\%$; ** = $p<5\%$; *** = $p<1\%$; **** = $p<0.1\%$

Source: Author's own compilation

Table 3:   Dependent Variable: Internal Conflict Onset (violonset)

	Model I (all countries)	Model II (fuel-scarce, below 90th percentile)	Model III (fuel-rich, above 90th percentile)
peace	-0.014 (0.009)	-0.012 (0.010)	0.088 (0.032)***
natwar$_{(t-1)}$	0.411 (0.254)*	0.340 (0.280)	0.695 (0.993)
population (log)$_{(t-1)}$	0.316 (0.071)***	0.321 (0.072)****	0.730 (0.313)**
gdppc (log)$_{(t-1)}$	-0.587 (0.173)***	-0.787 (0.207)****	-2.576 (0.763)***
partfree$_{(t-1)}$	-0.023 (0.256)	0.257 (0.275)	-1.954 (1.029)*
regchange$_{(t-1)}$	0.417 (0.343)	0.266 (0.391)	-1.746 (1.136)
gdpgrowth$_{(t-1)}$	-1.006 (2.442)	1.437 (2.339)	-13.998 (4.610)***
dem_region$_{(t-1)}$	0.049 (0.032)	0.056 (0.034)*	0.098 (0.153)
terrain$_{(t-1)}$	0.088 (0.084)	0.108 (0.091)	-0.957 (0.457)**
mena	0.884 (0.404)**	0.518 (0.540)	3.408 (1.406)**
liec4$_{(t-1)}$	-0.009 (0.380)	-0.192 (0.449)	-1.572 (1.454)
liec5$_{(t-1)}$	0.666 (0.464)	-0.876 (1.052)	3.547 (1.044)***
liec6$_{(t-1)}$	0.788 (0.340)**	0.800 (0.381)**	3.561 (1.260)***
liec7$_{(t-1)}$	-0.214 (0.365)	-0.205 (0.401)	1.989 (1.242)
constant	-8.504 (1.241)****	-8.685 (1.300)****	-13.026 (4.561)***
N	2,686	2,378	308
Wald chi^2	96.89	83.01	56.56
Prob > chi^2	0.0000	0.0000	0.0000
Pseudo R^2	0.1102	0.1157	0.3741
McKelvey & Zavoina's R^2	0.249	0.265	0.633

Note: logit estimation using robust standard errors (shown in parentheses).
        * = $p<10\%$; ** = $p<5\%$; *** = $p<1\%$; **** = $p<0.1\%$

Source: Author's own compilation

In addition to the robustness checks described above, all of the models were re-estimated by employing alternative resource-endowment concepts. As already outlined, differentiating between mineral abundance and mineral dependence provides an important theoretical un-

derpinning. When the criterion of resource dependence is applied to define the sub-samples, the previously reported results remain almost identical.[30] Thus, the conflict-enhancing effect of an uncompetitive multi-party system does not seem to be restricted to fuel-abundant states. Furthermore, it can be argued that potential fighting is driven by total oil and gas revenues rather than by per capita fuel income. When the total annual production of gas and oil is considered in order to assess the impact that political parties have on the likelihood of conflict occurring, the findings remain identical: countries exhibiting a high oil and gas production (above the 75th percentile) as well as a multi-party, non-competitive electoral system (*liec5* and *liec6*) are more prone to experience internal violence.

Finally, the reported sub-sample strategy is complemented by the analysis of an all-country sample, employing interaction terms to test the joint effect of resources (*fuels*) and the number of political parties on the propensity for conflict.[31] The estimation procedure and the choice of the independent variables are identical to all of the previous models. Table 4 depicts the results, showing that the particular combination of fuel abundance and an electoral system of multiple political parties in which the largest party wins more than 75 per cent of all congress seats (*liec6*) is conducive to internal violence. While *liec6* has a modest effect on the conflict potential at the 10 per cent-significance level by itself (it increases the likelihood of violence occurring by a factor of two), its interaction with fuel production is highly significant and the coefficient is very large. The interaction term is associated with a likelihood of civil violence breaking out that is 20,500 times higher. Similar findings apply to the remaining categories of *liec* (although none of them reach statistical significance). The results for the control variables were nearly identical to the ones reported before. Again, these findings are robust to alternative estimation techniques ("rare-event logit") and to different model specifications.

The reported statistical associations are in line with the proposed hypotheses. As is evident, the scenario of multiple political parties in which only one party has effective political representation in parliament (*liec5* and *liec6*) particularly increases the conflict likelihood within resource-rich states. In such a scenario, political repression is particularly likely to occur and the lack of effective political leverage experienced by the opposition increases internal grievances. Disaffected by their political powerlessness, insurgents may profit from fuel and gas as a financier of rebellious actions. Furthermore, the prospect of controlling fuel revenues may act as a honey pot, encouraging the opposition to take up arms.

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[30] A country was considered fuel-dependent when more than one third of its total exports consisted of oil and/or gas. Results are available upon request.

[31] *Fuels* is the countries' annual per capita production of oil and gas taken from Humphreys (2005).

Table 4: Dependent Variable: Internal Conflict Onset (violonset)

	Model I	Model II
peace	-0.012	-0.008
	(0.009)	(0.010)
natwar(t-1)	0.422	0.381
	(0.263)	(0.271)
population (log)(t-1)	0.347	0.347
	(0.075)***	(0.076)***
gdppc (log)(t-1)	-0.516	-0.645
	(0.177)***	(0.191)***
partfree(t-1)	-0.050	-0.006
	(0.264)	(0.272)
regchange(t-1)	0.547	0.433
	(0.345)	(0.356)
gdpgrowth(t-1)	-2.688	-2.850
	(2.322)	(2.485)
dem_region(t-1)	0.026	0.025
	(0.031)	(0.032)
terrain(t-1)	0.051	0.044
	(0.085)	(0.087)
mena	0.754	0.541
	(0.413)*	(0.480)
fuels(t-1)	0.416	0.562
	(0.305)	(0.493)
liec4(t-1)	0.124	0.098
	(0.414)	(0.418)
liec5(t-1)	0.780	-0.021
	(0.480)	(0.708)
liec6(t-1)	0.903	0.749
	(0.353)**	(0.378)*
liec7(t-1)	0.026	0.095
	(0.363)	(0.372)
fuels*liec4(t-1)		-0.402
		(0.530)
fuels*liec5(t-1)		28.625
		(19.448)
fuels*liec6(t-1)		21.653
		(7.012)***
fuels*liec7(t-1)		2.053
		(2.631)
constant	-9.228	-9.219
	(1.330)****	(1.315)****
N	2,654	2,654
Wald chi²	94.85	103.92
Prob > chi²	0.0000	0.0000
Pseudo R²	0.1072	0.1222
McKelvey & Zavoina's R²	0.235	0.246

Note: logit estimation using robust standard errors (shown in parentheses).

* = p<10%; ** = p<5%; *** = p<1%; **** = p<0.1%

Source: Author's own compilation

7 Conclusions

This paper can be considered as a first step in unifying the literatures on the geographic and institutional determinants of internal violence. According to Huntington (1968), multiple parties ensure internal stability and prolong the governance of authoritarian rulers. As inclusive institutions, parties are believed to co-opt the opposition into the political system, encouraging possible dissidents to pursue their goals through non-violent means and to obey the "rules of the game". In this sense, legislatures and parties offer a forum through which the oppositional groups can express their dissent.

While this may apply for most of the states, it does not seem to hold true for resource-rich countries. The present analysis indicated that, compared to fuel-rich countries that have no elections or only one political party, enclave economies exhibiting an electoral system with multiple parties in which only one of them has any effective political power display a higher conflict potential. By testing the effect of multiple parties on internal violence across sub-samples of fuel-abundant and fuel-poor countries, the empirical analysis corroborated this proposition. Applying interaction terms to a sample including all the countries studied here yielded additional corroboration. Thus, the premise that "any election is better than no election" (Carey, 2007, p. 59) does not seem to be the case for resource-abundant states.

Different inter-connected explanations for the violence-enhancing effect of multiple political parties within a fuel-abundant environment have been proposed. By helping the opposition to overcome its collective action problem and organize itself, parties may strengthen regime dissidents. Tempted by the prospects of high future rewards (to control the revenues gained from resource extraction) and by the possibility of using oil money to finance rebellion, the opposition may resort to weapons. Furthermore, the lack of effective influence over the decision-making process may provide an extra motive for violent uprisings. Disaffected after experiencing continuous repression (through fraudulent elections or political violence, for example) and enjoying no effective political power, the opposition may rise up against the internal grievance imposed by the oppressive ruler.

The depiction of the Colombian case provided a brief illustration of the advocated causal mechanisms. Through the establishment of the Patriotic Union, the FARC was able to propagate its ideas, reaching a broader constituency and recruiting more followers for its activities. Endowed with a political arm, the rebel organization tried to win a large number of mayoralties within oil-rich departments in order to control the distribution of oil revenues. At the same time, oil-related extortions and ransom of contract workers were a continuous source of income. Finally, internal grievances linked to the political terror campaign waged against the Patriotic Union supported the calls for the necessity of deploying non-parliamentary means in order to achieve the guerrillas' goals.

Much room remains for future research. By focusing on the number of political parties, this study was a first attempt at unifying the various lines of literature on the resource curse and the institutional determinants of intra-state violence. Subsequent work analysing the in-

teraction of resources with other institutional arrangements such as the degree of political centralization, government fractionalization, and electoral and property rights systems would help to disentangle the institutional black box further and contribute to our understanding of the political economy of resource-rich countries. Considering the emergence of several initiatives trying to reduce the internal instability of resource-rich states such as the Kimberly process of diamond trade, more knowledge about the institutional foundations of violence within these countries seems particularly welcome and timely.

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Appendix

Table A 1:   Frequency of *liec* across Fuel-abundant and Fuel-scarce States

Legislative Index of Electoral Competitiveness (*liec*)	Fuel-abundant	Fuel-scarce	Total
NA	7 0.63%	57 1.67%	64 1.41%
1	135 12.13%	358 10.47%	493 10.88%
2	86 7.73%	132 3.86%	218 4.81%
3	65 5.84%	197 5.76%	262 5.78%
3.5	13 1.17%	114 3.34%	127 2.80%
4	72 6.47%	353 10.33%	425 9.38%
5	79 7.10%	73 2.14%	152 3.35%
5.5	0 0.00%	10 0.29%	10 0.22%
6	63 5.66%	405 11.85%	468 10.33%
6.5	8 0.72%	30 0.88%	38 0.84%
7	585 52.56%	1,689 49.41%	2,274 50.19%
Total	1,113 100%	3,418 100%	4,531 100%

Source: Author's own compilation

Table A 2:   Variable Definitions and Data Sources

Variable	Definition	Source
violonset	Intra-state conflict onset. "1" if there is a conflict onset with more than 25 annual battle-related deaths; "0" otherwise	*UCDP/PRIO Armed Conflict Dataset*, version 4/2007 (Gleditsch et al., 2002)
natwar	Whether a neighbour is at war in a given year	Hegre and Sambanis (2006)
population (log)	Population, log-transformed	Hegre and Sambanis (2006)
gdppc (log)	GDP per capita, log-transformed	Hegre and Sambanis (2006)
partfree	Inconsistency of political institutions. States classified as "partially free" according to Freedom House	Hegre and Sambanis (2006)
regchange	Political instability as measured by the number of years since an institutional change that leads to a minimum of three points' change on the Polity index.	Hegre and Sambanis (2006)
gdpgrowth	Annual change in GDP, per cent	Hegre and Sambanis (2006)
dem_region	Median regional democracy level measured using polity2	Hegre and Sambanis (2006)
terrain	Rough terrain	Hegre and Sambanis (2006)
mena	Region: Middle East and North Africa	Hegre and Sambanis (2006)
fuels	Annual per capita production of oil and gas	Humphreys (2005)
liec4	Dummy for political system with one party and multiple candidates	*Database of Political Institutions* (*DPI 2006*) (Beck et al., 2001)
liec5	Dummy for political systems where multiple parties are legal, but only one party won seats	*Database of Political Institutions* (*DPI 2006*) (Beck et al., 2001)
liec6	Dummy for political systems where multiple parties won seats, but the largest party received more than 75 per cent of these	*Database of Political Institutions* (*DPI 2006*) (Beck et al., 2001)
liec7	Dummy for political systems where the largest party got less than 75 per cent of the seats	*Database of Political Institutions* (*DPI 2006*) (Beck et al., 2001)

Source: Author

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