

# Economic Deprivation: Approaches, Causes, and Consequences for Violent Conflicts

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## Economic Deprivation: Approaches, Causes, and Consequences for Violent Conflicts



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### Synonyms

Poverty; Inequality; Underdevelopment

### Definitions

Economic deprivation is a condition in which individuals or households struggle to meet their basic needs. It can also be a state in which individuals perceive that what they need or are entitled to is ignored or denied. When deprivation is defined by an absolute minimum, deprivation is said to be absolute. Deprivation can be relative and has no fixed standard. In economics, relative deprivation is also referred to as inequality. At the macrolevel, economically deprived countries are

said to be poor, underdeveloped, or less developed.

### Introduction

In 2019, about 7.8 million people, or 10% of the world's population, lived below the international poverty line of US\$1.90 a day (Gapminder 2020). If poverty is a tragedy, to Stalin, 7.8 million is a statistic; to Takeshi Kitano, a tragedy repeated 7.8 million times. Poverty can cause environmental degradation, physical and mental health illnesses, armed conflicts, and other socioeconomic problems. Since other volumes of this encyclopedia have covered the topics of poverty and inequalities in length, this entry will focus on their relationships with institutions and conflicts, the subject matters of sustainable development goal (SDG) 16. The entry will first review how economic deprivation is conceptualized, measured, and perceived. It will then discuss different causes of poverty. Three categories of causes will be examined: structural, institutional, and individual. It will then examine the deprivation–conflict nexus from the economic, political, social, and psychological perspectives. Different conflict onset mechanisms will also be explored. The relationship between economic deprivation and different targets under SDG 16 will be highlighted in the conclusion.

## Understanding Economic Deprivation

The term deprivation was used in the 1970s to connote “maldistribution of resources” and became a synonym for poverty in the 1980s (Misturelli and Heffernan 2012). The concept has a less specific meaning since the 2000s. Donors, nongovernment organizations (NGOs), and researchers may refer deprivation to basic needs deprivation, capabilities deprivation, or a condition beyond material deprivation (Misturelli and Heffernan 2012).

An intuitive approach to define whether an individual is economically deprived is to look at his or her income level. Since many economic decisions (e.g., expenditure on education) and policies (e.g., taxation) are made at the household level, a more common approach is to take the household instead of the individual as a unit of analysis. A household is considered poor when the disposable household income (per capita) is below a certain threshold, such as the national poverty line. In 2020, in the USA, the threshold for a single person was US\$12,760 per annum. As living standards vary across countries, a relative poverty line can be used. The Organization for Economic Cooperation and Development (OECD), for example, sets the relative poverty line as 50% of the median disposable income in the respective country. Consumption is often a preferred measure, because it is less likely to be underreported and it captures long-run welfare of a household more accurately than income. The shift from income to consumption is also more humane as it does not focus on one’s earning ability but needs.

The capability approach goes further and considers basic needs as a means that allows people to fulfill their aspirations (Robeyns 2005). Therefore, an income that barely covers basic needs is not sufficient; quality education and life (in terms of good health), for example, are also required to enable human development. The approach brings forth the human development index (HDI). More recent development literature also adopts a direct approach and replaces income with a set of indicators of living standard. The resulting multidimensional poverty index (MPI) has become a

popular measure of economic deprivation. The 2019 global MPI covers 101 developing countries. According to this approach, 1.3 billion people are multidimensionally poor, with two-thirds of them living in middle-income countries. The number is about 70% higher than the estimate of 7.8 million people based on the international poverty line definition.

The multidimensional approach to poverty faces at least three challenges. First, there is no consensus on what those dimensions should include. Most people agree that food, water, shelter, and clothing should be on the list, because they are fundamental for survival. Some may argue that to thrive in a modern world, one needs to receive basic education and health care, and hence they should be on the list. The MPI includes energy (e.g., fuels and electricity), sanitation and nutrition, floor (of a dwelling), television, and telephone, among others. But if the idea behind the capability approach is to enable people to thrive and to achieve what they desire, one may question whether the above list is exhaustive. Should a dimension such as civil rights not be included? Second, there is no consensus on the relative importance of various dimensions. Is a household that cannot afford to send their children to schools poorer than an otherwise identical household that cannot afford to send their children to clinics when they get ill? Currently, the MPI assigns an equal weight to each dimension (i.e., one-third, respectively, for health, education, and living standard) and subdimensions within each dimension (e.g., a half for years of schooling and another half for school attendance under education). While the weighting scheme acknowledges that the year of schooling is as important as school attendance, it also implies that school attendance is three times more important than having access to safe drinking water within a distance, an implication that is highly debatable. Finally, there is no consensus on where the cut-off point should be. Replacing the term “minimum standard” with “subsistence level” does not resolve the debate completely as deprivation can be subjective. For people who are barely surviving, although their material needs are satisfied, the fact that they live

below a certain standard may make them feel impoverished.

Recent human rights literature has influenced how scholars and practitioners define and understand poverty and development. It rejuvenates the concept of deprivation by pushing the boundary from survival or capability to rights. Similar to the capability approach, the rights-based approach refuses to define economic deprivation as an economic problem. It sees people as human, who has agency and dignity. The human rights-based approach defines economic deprivation as deprivation of economic rights. It acknowledges that every person is entitled to certain rights that go beyond their survival. Civil, political, social, and economic rights are interdependent and indivisible. While the capability approach may consider education as a means to escape poverty and to thrive, the rights-based approach sees education as an indispensable part of a dignified life and is an end in itself. Therefore, the rights-based approach suggests that development is not only about helping people to meet certain minimum standard or about liberalizing people to reach their full potential. It is more modest but radical. Free from deprivation is a fundamental right for all individuals. Development is not charity but a duty (Uvin 2007).

As some scholars reflect, the term human rights is “nearly criterionless” (Griffin 2008, p. 14). Consequently, the rights-based approach might be overly idealistic (Nickel 2005). Some also doubt whether the approach would bring substantive difference in programming or significant impact on people’s lives (Uvin 2007). The shift to the rights-based perspective also begs the question: What constitute those rights? To justify that certain economic rights are fundamental human rights, Nickel (2005) adopts a norm-based approach and suggests that people have a claim against severely unfair treatment. Because it is unfair to exclude some parts of the population from access to basic education, therefore, according to this view, the right to education should be considered as a human right not entirely because it is necessary for one’s survival, ambitions, or it bestows people’s dignity. Rights to education should be protected because it is unjust

to deprive some parts of the population of access to the public good when it is widely available to others. As such, the justice consideration encompasses the idea of relative deprivation.

The above exposition suggests that the concept of economic deprivation covers several aspects: material well-being, aspirations, entitlement, and the norm of fairness. While the traditional economic understanding often highlights the material aspect of the concept, the second part of the term, deprivation, reminds us that economic deprivation is not only an objective state of inadequacy. It has a subjective side, often referring to one’s idea about rights, justice, and social expectations under a specific socioeconomic context. The following section explores people’s perceptions of poverty.

### Perception of Poverty

Poverty is a widespread phenomenon in less developed countries. In a case study on poverty in rural Vietnam, Truong et al. (2014) report that rice farmers described poverty in terms of how much they produce per year. To the farmers, poverty means that they do not produce enough to feed their families. It is an inability and is a collective concept about security. Since some of them do not earn a salary, poverty is defined not based on employment and income but production or something purely material. They also find that only young people and more educated respondents related poverty to economic resources and income-generating assets such as land. In contrast, poor people in a fishing village in Ghana referred to poverty as a lack of income and alternative employment opportunities, given the competition with commercial or foreign fishing vessels and the decline of the fishing industry in the region (Holden et al. 2011). Nevertheless, similar to the case of Vietnam, the villagers also described their plight in terms of access to such basic needs as clean drinking water, sanitary facilities, and education.

How do poor people in developed countries perceive poverty? Studies on first-person’s experience is scant and if they exist, they are about specific vulnerable groups (e.g., children and single mothers), focusing on their perception of

poverty attributions and social stigma (e.g., Reutter et al. 2009). Otherwise, they take a third-person perspective and ask how media, social workers, and policymakers narrate poverty (e.g., Chauhan and Foster 2014). These studies emphasize the social aspect of poverty, drawing a line between materials and deprivation. According to Chauhan and Foster (2014), British media represents poverty in Britain as an issue limited to specific social groups such as children and pensioners. Poverty was also often understood and analyzed beyond material well-being and through a social lens (e.g., De Haan 1998). For instance, in a study on how single mothers perceive their welfare reliance, Nelson (2002) shows that single mothers in Vermont in the USA often demonstrated their desire to be self-sufficient. They reacted strongly when the interviewer used the word “rely” during the interviews. Poverty is seen as an individual problem and a failure to meet certain societal expectations about how an adult should behave. Consequently, poverty is often associated with the emotions of embarrassment, humiliation, and shame, which may not be elicited in the context of a developing country, where most people live in poverty. Children are another vulnerable group. When a group of 8-year-old children in the USA were asked what poor people are like, more than half of them spoke about their neediness (i.e., lack of something) (Chafel and Neitzel 2005). Children with lower socioeconomic status were more likely to talk about needs beyond basic necessities (e.g., social networks) than children with higher socioeconomic status, and only a few (13%) made social comparisons. To them, poverty is absolute. In a study in Finland, Hakovirta and Kallio (2016) find that children in their sample (aged 10–15, from middle affluence group) viewed poverty as a relative absence of nonessential goods. They report that Finnish children did not regard their peers from a poorer economic background as lacking daily necessities. Rather, poor children distinct themselves by their use of outdated models, second-hand or broken goods. A cross-country analysis on undergraduate students in eight countries finds that respondents from a wealthy country and with a better socioeconomic background are more

likely to perceive poverty in a relativist stance (Corazzini et al. 2011). Overall, these studies suggest that, in affluent societies, as a person grows, poverty becomes relative and is increasingly defined in social terms.

## Causes of Economic Deprivation

Numerous studies across disciplines have tried to identify the causes of poverty. While it is impossible to review each individual account, the identified causes cluster into three interrelated categories: structural, institutional, and individual.

Structural causes are system-level factors that are beyond the control of any actor such as an individual or a government alone. Examples include climate change (environmental), baby boom (demographic), globalization (economic), and Industry 4.0 (technological). These factors tend to persist and take a long time to turn. According to this view, people live in destitution because of their adverse positions in a structure. For instance, free trade provides economic opportunities to firms and individuals. However, endowment of resources confers comparative advantage to different economies and economic agents. Goods and services under a high demand will benefit their producers and factory owners. Depending on the production technology, shift in demand often affects the income of workers and capital owners unevenly. Accordingly, the endowment of an economy, consumer preference, production technology, and the prevailing global economic order jointly determine who are the winners and losers in a global economic game, with the latter structurally pressed in the base of the income pyramid. As another example, innovation changes production technology and induces a higher demand for skilled workers. This skill-biased technological change accelerates the divide between skilled and unskilled workers and traps the latter in the bottom of the economic hierarchy. As communication and transportation costs decline, global-level division of labor arises. Under this new economic norm, developed economies relocate their production and export

low-skilled jobs to developing countries. Production outsourcing intensifies the effect of skill-biased technological change, making the skill premium higher in both the headquarter economies and the factory economies, leading to job polarization, a lower-wage bill, and possibly in-work poverty in both developed and developing countries (Baldwin 2016). Unfortunately, although production chains have become increasingly globalized and inclusive, the pattern and dependency tend to reproduce themselves and are highly stable.

Institutional causes are state-related factors, sometimes caused and perpetuated by inactions or deliberate state policies. Examples are corruption, state discrimination, and poor welfare and labor market policies. A person can fall in poverty because of favoritism, a malicious act, or the inability of a state to react to such structural problems as climate change. For instance, Easterly and Levine (1997) find that ethnic diversity is a crucial factor behind Africa's growth tragedy. After decolonization, political institutions entered an unstable period where power vacuum was awaited to be filled. Different groups struggled to assert their political and economic status in these new countries. To mobilize support and prompt loyalty, elites often politicized ethnicity and identity politics became a norm. When competition is intense, identity politics may give rise to violence. In a famous experiment, Tajfel (1981) divided a group of school boys into two groups based on their trivial preferences over a set of abstract paintings. When the boys were asked to anonymously allocate points to other boys for a reward for their participation in the study, they quickly displayed discriminative behaviors by maximizing the gain for their own group. Ethnicity is a convenient and sometimes visible label to classify people. When resource competition is intense, the group label can trigger in-group and out-group dynamics and set off antisocial behaviors, harming or eliminating other people to ease the competition (Prediger et al. 2014). Ethnic diversity sometimes results in clientelism, social division, and impediments in public goods investment (Habyarimana et al. 2007). Inequalities between social groups and poor development outcomes

can also be a result of distributive politics. Distributive politics seems to be a common feature in many ethnically diverse societies. To cultivate political loyalty and consolidate their own power, political leaders may practise ethnic favoritism by distributing more and better public goods to people who share an ethnic background similar to theirs. In a study, which covers 18 African countries, using data over the span of 30 to 40 years, Franck and Rainer (2012) show that the factor of ethnicity can account for variations in primary school attendance, completion, literacy rate, and infant mortality between ethnic groups. While the lower development outcomes may be a result of bargaining failures in a multiparty setting instead of discrimination, Lee (2018) shows that problems in ethnic cooperation cannot fully explain lower development outcomes in Northern India. He suggests that poor provision of public services could be due to the absence of coethnic links to the central government or ethnic discrimination.

Finally, poverty can be explained by individual- or household-level factors. People remain poor due to cognitive and behavioral biases, wrong choices, or misfortune. Duflo and Banerjee (2011), for example, discuss how misconception about the returns to education makes parents decide to send their children to farmland instead of schools in many developing countries. Although the actual returns to education are positive and high, because many parents in poor households perceived them to be low not until their children get into university, many of them choose not to let their children go to schools when they have only limited financial resources. This form of behavioral bias explains why poverty transmits across generations in many developing countries. Moreover, poor people are also less likely to take risk, and they discount the future more heavily by choosing smaller and earlier rewards than people earning a higher income (Tanaka et al. 2010). They save less, invest less, and exert less personal control, which add up to lower returns and income (Pepper and Nettle 2017). Poverty also affects people's affective states and mindset, creating a feedback loop and begetting poverty (Haushofer and Fehr 2014).



## Deprivation and Political Violence

As many cross-country analyses show, GDP per capita, a commonly used indicator of economic deprivation in macrolevel analysis, is one of the most robust determinants of civil war onset. Although the causal relationship between economic deprivation and civil conflicts, terrorism, and violent extremism is multifaceted and less deterministic than it appears, conflict prevention has become a key element in the rhetoric of poverty reduction in many developing countries. This section examines the roles of economic deprivation on civil war onset in a number of influential theories in political science and economics literature.

### Indirect Effects

One of the most influential theories of war in the international relations literature is Fearon's (1995) bargaining model. The model has been used to explain the onset of wars (Fearon 1995), the recurrence of identity-based conflicts such as secession wars, the difficulty of reaching an agreement between warring parties, the precariousness of negotiated settlement, and the role of United Nations peacekeeping operations in conflict resolution (Walter 2009). It has also been used to inform the design of peace agreements and post-conflict political institutions (Roeder and Rothchild 2005). In brief, the model suggests that there are usually solutions to disputes, which are less costly than war and hence acceptable to all disputed parties. The solutions will depend on the bargaining power of the involved parties and the cost of fighting, which are private and unknown to the other side of the dispute. This kind of information asymmetry incentivises both sides to misrepresent their true strength, leading to bargaining failures and violent conflicts. Even when both parties manage to arrive at an agreed solution, because the situation is constantly changing and the stakes are high, both sides usually find it difficult to commit to the agreement when the environment tilts toward their sides. This commitment problem, similarly, will give rise to bargaining failures. Therefore, asymmetric information and commitment problems are two

major reasons why countries and groups wage war against each other. As such, according to the bargaining model, economic deprivation does not play a critical role in conflict onset. As solutions usually exist, the problems of asymmetric information and commitment are more crucial to the onset of a conflict. Deprivation only serves as an issue under dispute that may result in an armed struggle against the state that fails to tackle the problem. The model also fails to explain why civil wars occur predominantly in the underdeveloped world, as poverty is not the only issue that leads to bargaining failures. Additionally, the lack of financial resources, and hence lower contest capability, also implies that the weaker side is less likely to win, thus easing the problem of information asymmetry and reducing the likelihood of war.

The theory of development clusters (Besley and Persson 2014) proposes that economic development, state capacity, and peace are intertwined. Factors such as political cleavages (e.g., due to ethnic politics) of the ruling coalition and economic endowments (e.g., natural resources) jointly determine the levels of income and state capabilities, which comprise fiscal capacity, legal capacity, military capacity, and so on. These capacities in turn influence the choice of ruling strategy between redistribution, co-optation, and repression. While a healthy economy supports strong institutions and public goods provision and sustains peace and prosperity, an impecunious country reproduces weak institutions and falls into conflict and poverty traps. Accordingly, poverty and violence are concomitant outcomes. They reinforce each other and share a common root: bad governance.

### Motivation

Economic deprivation plays a more direct and stronger role in the famous "greed and grievance" theory by Collier and Hoeffler (2004). In the theory, greed refers rebellion as a business venture or a profitable opportunity (Collier and Hoeffler 2004). The greed account states that people living under poverty would join a civil war because of a material gain. In contrast, the grievance explanation acknowledges that economic deprivation can

be a major source of grievances, which motivate people to take up arms to fight against a government. However, Collier and Hoeffler (2004) refer grievances mainly to inequality or relative deprivation, not poverty. In their empirical analysis, income is a proxy for the foregone income by joining a war. Inequality, measured by the Gini coefficient, is a proxy for grievance. And because most of the grievance indicators do not have statistically significant effects on civil war in their regression analysis, Collier and Hoeffler (2004) conclude that greed offers a better explanation of conflict incidence.

Greed can play different roles in a conflict and it is often associated with natural resources. For example, in Liberia and Sierra Leone, diamonds were exchanged for supplies of arms and help to sustain the conflicts (Silberfein 2004). In Chechnya, the pipeline network that connects oil and gas fields in Kazakhstan and Azerbaijan at one end and the markets in Europe and the USA at the other partially explains why Russia did not tolerate Chechnya's struggle to gain independence from Russia in the First Chechen Civil War (Ashour 2004). In this case, resource rent is a prize to be captured by the winning party. In Sudan, the division of oil revenue is central to the dispute between the intractable North–South civil war. Although the country was divided into two in 2011, the same issue led the two countries to reignite the fire of war in 2013. However, the factors of greed and grievances may not be easily separated when a war is about natural resources. For instance, grievances also play a role in the Second Sudanese Civil War starting from 1983, as the ethnic minorities, who resided in the oil region but politically underrepresented, felt that they were dispossessed of the resources. While the Sudanese government started the drills in 1999, the southern government had not earned their share until 2005 (Le Billon and Savage 2016). The unfair distribution of revenues and destitution due to long period of war generated widespread discontents among people in the south and caused the war.

The finding, or nonfinding, in Collier and Hoeffler (2004) has sparked a series of debates over the role of grievances in conflict onset. One is

illustrated by the Sudanese example discussed above that primary commodities can be a source of grievances rather than greed. A survey by Humphreys and Weinstein (2008) also reveals that many ex-combatants of the Sierra Leone conflict joined the rebellion because they were scared of what would happen to them if they had chosen not to join. Contrary to what is proposed by the greed explanation, only a few (<5%) admitted that they joined the conflict for a better economic life. Another prominent debate is about the concept and measurement of inequality. Conceptualizing violent conflict as a group behavior, Stewart (2000) proposes that it is horizontal, not vertical, inequality that matters. Whereas vertical income inequality is defined as income difference across individuals, horizontal inequalities refer to economic, social, or political inequalities along the ethnic, religious, or social lines. As inequality is measured by the Gini coefficient, a measure of vertical inequality, in the analysis by Collier and Hoeffler (2004), the non-essential role of (relative) deprivation can be explained by the use of an inappropriate indicator in Collier and Hoeffler (2004). Østby (2008) revisits the debate and examines the role of horizontal inequalities on conflict outbreak using quantitative data from 36 developing countries. She finds confirmative evidence that social and economic inequalities across groups are positively correlated with conflict risk.

### **Mobilization**

Some studies in the late 2000s investigate a specific type of conflict: ethnic civil wars (e.g. Wimmer et al. 2009; Cederman et al. 2013). These studies further the research agenda concerning the role of grievances and horizontal inequality by regarding ethnic conflicts as a group-level social phenomenon. The shift in focus not only helps to answer the question why not all poor countries experience civil wars, it also provides a new social mechanism that links deprivation to violent conflicts: ethnic mobilization. At the same time, it touches on the deeper meaning of economic deprivation by highlighting an institutional cause of poverty, political exclusion, which is discussed in the previous section. Economic deprivation is more than poverty and is a



result of institutional violence. In a pioneering study, Wimmer et al. (2009) look at the power relations between ethnic groups and examine whether political inequalities fuel ethnic civil wars. In an ambitious data project, they systematically coded political access of each politicized ethnic group in a country since 1945. Using the new dataset, they find that armed conflicts frequently happen in states that exclude large portions of the population based on their ethnicities. Shifting the focus from state to ethnic group, Cederman et al. (2013) show that ethnic groups denied access to central state power are more likely to initiate conflict against the exclusive regimes.

Case studies scrutinizing the exclusion–conflict nexus shed further light on how exclusion explains war onset through the mobilization mechanism. The Kurdish conflict in Turkey offers a good example, illustrating how political exclusion interacts with identity politics to produce ethnic civil wars. Tezcür and Gurses (2017) find that people born in the Kurdish region are less likely to occupy positions in the Turkish government when compared with people from non-Kurdish areas. Because upward mobility was limited, members of disadvantaged ethnic minorities tended to be embedded in kinship or identity-based networks to overcome the disadvantage. Collective disadvantages forge a sense of community, build group identity, and strengthen group cohesiveness (Gurr 2015). Consequently, political exclusion fosters ethnical mobilization, which allows the underrepresented group to challenge the status quo through a violent means.

Some studies argue that political exclusion may not be sufficient to trigger a conflict spiral. It requires the overlap of the social, economic, and political cleavages to push a multiethnic society to the brink of violence. Ukiwo (2009), for instance, compares Calabar and Warri, two administrative regions in southern Nigeria. While exclusion occurs in both regions, unlike in Warri, where indigenous groups were caught in a protracted conflict, Calabar managed to escape from a violent rivalry between its indigenous groups. What sets the two regions apart is that in Calabar, horizontal political inequality did not overlap with

the socioeconomic counterpart. Calabar is home of three indigenous groups: Efik, Qua, and Efut. While historically Efik has dominated the political scene, the group has accommodated Qua and Efut both economically and culturally. For example, Qua and Efut chieftains were given power to collect rents from land sales. Discrimination in employments was also uncommon there. Many streets and markets are also named after leaders from Qua and Efut. As a result, there was no strong perception of socioeconomic inequalities in Calabar. Similarly, in Kenya, Stewart (2000) observes that relative deprivations were largely tolerated so long as the deprived groups were politically included. In a quantitative analysis, which links political exclusion and relative (economic) deprivation, Cederman et al. (2013) show that political and economic deprivations that overlap with ethnic cleavages are most likely to trigger a violent struggle against a discriminatory government. In short, when it is coupled with political exclusion and other form of inequalities along the ethnic line, economic deprivation is a strong predictor of political violence.

### Radicalization

As Gurr (2015) points out, people's identities, desires, and beliefs should be central to any conflict analyses. While the mentioned mechanisms work at the macro- and meso-level, the mechanism that links poverty to grievances at the individual level is mostly assumed in the economics and political science literature. In other words, the micro-foundation is still largely missing. Although both Collier and Hoeffler (2004) and Stewart (2000) argue that it is perceived inequality that matters, supportive evidence from quantitative studies is mainly derived from analyses using objective indicators. In fact, even though the subjective and objective indicators are likely to be correlated, Gimpelson and Treisman (2018) show that people often underestimate the average income in their countries and, consequently, misperceive their positions in an income distribution.

Economic deprivation can provide a breeding ground for radical extremism. The example of radical Islamism in the Republic of Dagestan in the North Caucasus region provides one example

that illustrates this mechanism. Dagestanis have followed Sufism as early as the tenth to eleventh centuries, whereas radical Islam has taken root in the country only around the 1990s (Shikhsaidov 1999). According to Ware et al. (2003), modernization and growing opportunity to travel and study abroad let more Dagestanis see and realize the economic, political, and social problems in their society. Failed economic transition and political corruption incited a lot of frustration. People who lost their faith in modernization and traditional society at the same time actively looked for replacement. While they did not see the tradition Sufism offered any answers to the problems in their society, they found a spiritual sanctuary from Wahhabism, which criticized corruption and other social problems heavily. As ideologies, revolutionary and extremist doctrines further shaped people's expectations and identity (Gurr 2015), persisting gap between achievement and failed expectation transform into grievances. In this way, economic and social frustrations can provide an opportunity for extremism to take root in the society. Terrorist organizations are also easier to recruit frustrated followers at a low cost. The favorable supply and demand factors meet each other, leading to radicalization and radical Islamist violence in Dagestan.

At the individual level, poverty can excite various kinds of emotions: grievance, humiliation, shame, frustration, powerlessness, etc. (Narayan et al. 2000). Some poor people may attribute poverty to bad luck or fate. Given the variations in attribution and emotional response, poverty does not always trigger violent thoughts and behaviors. Findings from the psychology literature shed further light into the process of how economic deprivation can evolve into grievance or violence. People living under poverty experience a higher level of stress and anxiety (Haushofer and Fehr 2014). Stress can impair mental health and, sometimes, contribute to intrusive thoughts and a range of psychopathology including aggression (Wolff et al. 2009). For example, poverty has found to contribute to domestic violence in Mexico and other countries. As cash transfer programs have found to reduce domestic violence effectively (Bobonis et al. 2013), it

appears that there is a causal link between poverty and violent behaviors. Furthermore, fatalism is a common response to poverty. To negate fatalism and the associated anger, some people will engage in delinquent behaviors, according to the control-maintenance theory (Brezina 2000). More specifically, when people perceive that their autonomy and independence are threatened, they may display delinquent behaviors (e.g., drinking, fighting, and arson), which are used as a psychological strategy to regain their control and autonomy. Scott and Weems (2010) also argue that failed expectation may lead to anxiety and a lower level of self-control. Their empirical study finds that youths with low actual but high perceived self-efficacy tend to display aggressive behaviors. The result suggests that people's locus of control may determine whether a person reacts to stress (due to destitution) with aggressive behaviors. While more evidence is still needed to prove the relationship between poverty and violence from the individual to the collective level, different theories and findings about emotions and control provide a promising avenue for future research.

## Conclusion

Economic deprivation is related to multiple targets identified by the United Nations (UN) under SDG 16. It can be originated from national institutions and/or the global system. As this entry shows, unjust and discriminatory national policies owing to distributive politics not only sustain inequality and deprivation, they also induce grievances and large-scale conflicts by motivating, mobilizing, and radicalizing the disadvantaged groups to rebel against various forms of state injustice. As such, to reach Target 16.1 by reducing the incidence of large-scale conflicts, it is necessary to end economic deprivation by ensuring responsive, inclusive, participatory, and representative decision-making at the national level, envisioned under Target 16.7. In existing economic regimes, skill-biased technological change, for example, also disproportionately favors the more advanced economies. These global- and

system-level factors may produce a lock-in effect and affect the less developed economies, perpetuating economic deprivation at the global and local levels. As such, it is also necessary to include and empower developing countries by broadening and strengthening their participation in global governance institutions (Target 16.8), and develop effective, accountable, and transparent institutions at the global level (Target 16.6). Given the systemic nature of economic deprivation, it is also necessary to build and strengthen state capacity at all levels through international cooperation (Target 16.A) in order to attain the various targets under SDG 16 by 2030.

## Cross-References

- [Economic Exclusion](#)
- [Political Inclusion](#)
- [Radicalization and Extremism](#)
- [Relative Deprivation](#)
- [Violent Extremism](#)

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