



Does more (or less) lead to violence? Application of the relative deprivation hypothesis on economic inequality- induced conflicts

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Abstract

This article employs the relative deprivation theory in order to explain the formation of violent conflicts induced by an increase in economic inequality. By using the frustration-aggression hypothesis, the author attempts to illustrate how the rise in inequality, caused by changed economic structure, can be transformed into violence, often accompanied by material and human casualties. In addition to the theoretical framework, the article relies on empirical studies carried out by using relative deprivation as a starting point. Finally, the author observes indications that inequality-induced conflicts could soon take place in developed and developing countries, which is why new models of development and economic policies must be implemented and thus used as conflict-preventing mechanisms.

KEY WORDS:

economic inequality, violent conflicts, Ted Gurr, relative deprivation

Introduction

Numerous conflict studies have led to the creation of a corpus of knowledge which has revealed the need to take into account the complexity and multidimensionality of conflicts, while examining the underlying causes leading to violence. This, among other things, means that it is not possible for a conflict to be fully understood (and thereby resolved) unless all potential causes are considered. Therefore, multi-causality may imply the simultaneous existence of several different causes (political, religious, ethnic, etc.). The cases of Nigeria during the 1960s and Rwanda in the mid 1990s, where ethnic conflicts were also stimulated by unequal access to political institutions and the different economic position of belligerent actors, may be used as possible examples. On the other hand, complexity may imply that conflict is motivated by a group of abutting reasons, whether political, social or any other. Weak or failed states in which (along with the inexistence of state authority on their complete territory) the access to central government for certain groups is withheld represents one of the possible examples (Somalia or DR Congo). Furthermore, it is necessary to consider and research phenomena (and processes) whose activity creates conflict potential that, under certain conditions, can lead to the emergence of incompatibilities between the actors, and thereby have the outbreak of violence as its consequence.

Socio-economic factors have been taken into consideration in conflict research since the beginning of the 1980s, when researchers started showing interest in the analysis of direct economic causes (natural resources, GDP growth, tax and revenue systems, etc.), as well as in the economic phenomena that could have possible conflict potential, among which, one of the most important is economic inequality (Thorbecke and Charumilind, 2002).

The end of the Cold War broadened the above-mentioned field of analysis, while, since the early 21st century, the problem of economic inequality has started to gain a central position in the research on causes of violent conflicts. There are two reasons for this change. The first is given by the inequality itself, which nowadays has reached its historical maximum, both on a national and a global level. Income inequality is on average one-third higher than it was in the previous century. In certain

cases (ex-USSR countries), the inequality has doubled during the last three decades, while in the most drastic examples (PR of China) it is three times higher (Cornia, 2003). On a global level, the situation is similar. Here the ratio of the wealthiest compared to the poorest countries (20 per cent of them) has worsened four times in the last half of the century (from 1:20 to 1:80) (Rivero, 2010; Milanović, 2006).

The second reason for the increased interest in researching economic inequalities is given by the disappearance of corrective mechanisms present for most of the previous century. With the change in the economic model, which started in the late 1970s and became global with the end of the Cold War (through the model of neoliberalism), the mentioned mechanisms have completely disappeared. Due to this change, inequalities began to grow dramatically, thereby additionally intensifying the already very high conflict potential. In these conditions, economic inequalities ceased to be only latent and became a manifest cause of violent conflicts. That is why their examination today is one of the priorities for peace and conflict researchers.

The analysis of economic inequalities also provides an opportunity to act towards their prevention. Authors like Gurr assert that the time gap between the manifestation of a specific cause and its transformation into a violent conflict is at least ten years, which offers an opportunity to establish effective prevention strategies. In the case of economic inequalities, the formulation of such strategies would have a dual influence. On the one hand, the importance of economic factors in the escalation of violence would decrease, while parallel to that, it would act towards conflict prevention (Burton, 1990).

2. Relative Deprivation Theory

In the research on economic inequalities as causes of conflict, relative deprivation represents a theoretical framework which may contribute to better understanding the relatedness of the two phenomena. This is done primarily by emphasizing socio-psychological characteristics of individuals, i.e. the frustration that arises in them due to the discrepancy

between the actual and expected situation. The standpoint derives from Dollard et al. (1939), who believed that frustration is a necessary element for violence to occur. Frustration, in their opinion, appears when an individual is prevented from achieving a certain goal, which is followed by a disturbed psychological balance and tension that can be released only by aggression directed towards the cause of the frustration or (if he/it is not accessible) some other, alternative target. The hypothesis was later altered with the attitude that frustration creates readiness for aggression but only under certain conditions (Berkowitz, 1972, cited in Vasović, 2007),¹ while aggression itself is interpreted as a drive that can be found in all human beings, and is manifested through an instinct towards destruction (Freud), or as a survival-enhancing instinct (Lorenz). Subsequent research was conducted mostly by Ted Gurr whose book *Why Men Rebel* (1970) represents a starting point for theoretical and empirical research on conflicts which are the result of political, but also economic relative deprivation.²

Gurr defines relative deprivation as a discrepancy between the value expectations of individuals and their capability to fulfil these expectations, whereby expectations are understood as goods and life conditions individuals think belong to them (or should belong),³ while value capabilities are goods and life conditions individuals can attain (or maintain) with the means at their disposal. In line with this is also Runciman's definition which states that relative deprivation is present when "person A does not possess X, but knows that others possess X. Because of that, person A wants to get X and thinks it is possible" (1966, p.10); and the conclusion made by Thorbecke and Charumilind that deprivation-induced discontent is generated not from inequality per se but from the gap between an individual's expected and achieved well-being (2002, p.1486).

Expectations and capabilities belong to the category of values, which Gurr defines as desired events, objects or states of affairs that most people

- 1 This change was introduced due to the impossibility of Dollard's findings to explain why certain group is chosen as alternative for transferred aggression, and because it was not possible to explain how individual frustrations lead to collective action (Bilig, 1976).
- 2 Next to this is research conducted by Runciman (1966) on grievances caused by class, status and power positions, which could lead to egoistic (personal) or fraternalist (group) relative deprivation.
- 3 Not only in the present but in the future as well. In the first case (the present), individuals think the current state of affairs is justified, while in the other (the future) a new state of affairs is legitimately expected.

are striving for. If values (expectations and capabilities) are unbalanced, this might lead to relative deprivation, and (under certain conditions) to the escalation of violent conflicts. The author recognizes three groups of values, the first one (welfare values) being the most important because it directly contributes to the physical and psychological well-being of individuals. This group is comprised of goods and pleasures (economic values) on the one hand, and the development of mental and physical abilities (self-actualization values) on the other. From this it is clear that one of the possible causes of relative deprivation may very well be the unevenness between actual and expected economic values where economic inequality is an integral part of this group.⁴

Long-term value discrepancy cannot be sustained without social consequences. If the present conditions in a society favour an increased level of individuals' expectations, but fail to do the same when it comes to their capabilities, the chances of discontent increase significantly. The reverse is also true. If capabilities are decreasing, without a decline in expectations, the likelihood of the formation of discontent becomes evident. Caused in such a way (by deprivation), discontent is a call to action, and the stronger the frustration, the greater the likelihood of manifesting violence. Furthermore, if values are not balanced, discontent can be redirected towards state institutions, thought to be most responsible for such a state of affairs. If that happens, the prospects for conflict escalation become significantly higher. The author describes this process with the following words: "The primary causal sequence in political violence is first development of discontent, second the politicization of that discontent, and finally its actualization in violent action against political objects and actors. Discontent arising from the perception of relative deprivation is the basic, instigating condition for participants in collective violence" (Gurr, 1970, pp. 12-13).⁵

4 Beside welfare, Gurr also recognizes power values which determine the degree of influence one individual has on the behaviour of others, as well as the effect others can have on his own behaviour (participation and security values). These values are especially important for the relation between violent conflicts and inequalities resulting in an uneven political position. Finally, interpersonal values represent the psychological satisfaction individuals seek in interaction with others (social status, group participation, common beliefs) and whose misbalance, under certain conditions, is equally as dangerous as the previous two in conflict formation.

5 Politicization is primarily determined by the intensity of deprivation, but in certain cases other social variables may also have an influence on deprivation intensity. As the most important variables Gurr recognizes: sanctions for open aggression, success/failure of previous violent actions, appeal for justified violence, system legitimacy, and government responses to the formation of discontent.

With regard to the economic values, Gurr states that if they are rigid over a longer period of time and people live on the edge of survival, every (even marginal) deterioration of the economic situation may lead to the outbreak of violence. As the most important economic parameters (for creating deprivation) he identifies: increased unemployment, inflation, and change in the system of production. The first two parameters are the most important because they represent the main causes of increase in income inequality (Cornia, 2010). Support for these claims is found in research conducted by Gurr (1968) on a sample of 114 states, which showed that 20 per cent of all conflicts are caused by economic decline or economically related factors with the definite conclusion that reduction in economic capabilities in part of the population leads to an increasing danger of outbreak of violence. Similar findings can be found in Abeles' (1976) research on the relationship between African Americans' beliefs about economic inequality and black militancy, or Walker and Mann's (1987) analysis of the correlation between the number of unemployed Australians and the frequency of social unrest in this country (Tyler and Lind, 2001: 46).

It should also be noted that, in Gurr's view, economic factors could generate conflicts only to a certain extent. An unfavourable economic situation encourages people to be violent, but not when the material position is such that it compels individuals to struggle for their psychical subsistence, i.e. when they are at the "starvation threshold". If that is the case, the likelihood of outbreaks of violence declines rapidly, or, in the words of Hobsbawm (1959, p.79), "when people are really hungry they are too busy seeking food to do much else; otherwise they die from hunger".

Patterns of deprivation

Gurr recognizes three patterns of deprivation, which all may have a part in the emergence of violence. *Decremental deprivation* appears when value expectations within a group are constant (or vary only slightly) over a long period of time, while value capabilities decline substantially. In this pattern of deprivation, conflict is created because people are not capable of achieving what they once were and what they would like to

achieve. Conflicts mostly emerge because of the creation of decremental deprivation.

This form of deprivation usually emerges because of a decline in the production of material goods, the unwillingness of political elite to resolve conflicts, foreign influence or loss of confidence in the society integration mechanisms. Decremental deprivation may also emerge when a group loses access to scarce resources (for example progressive taxation on the wealthy or the loss of political influence).

Decremental deprivation is also a potential explanation for the relation between inequalities and conflicts, since it emerges as a consequence of changed circumstances. In the case of economic inequalities, change can be linked to the introduction of a new, neoliberal model which led to a drastic increase in income polarization due to excessive trade liberalization and market deregulation during the 1980s and 1990s (Cornia, 2003). In that situation many individuals who had previously been capable of attaining a certain quality of life were subsequently unable to do so. In Gurr's words, this means that value expectations stayed the same, but capabilities substantially decreased, which may lead, if such tendencies continue, to the induction of decremental deprivation and subsequent eruption of violence. The stated explanation can be applied both to developed countries in periods of crisis (for example Greece or Spain) and to middle-developed countries (Eastern Europe) that underwent these exact changes during their transition.

In addition to the loss of resources, decremental deprivation may also emerge due to a decline in certain opportunities, for instance with regard to employment or education. This is also an important factor because, if individuals are not able to acquire adequate education or get an employment position in accordance with their competencies, they may remain in the lower part of the income scale. If opportunities are limited for a large number of individuals (which is the case in neoliberal economies because of very high education fees and the smaller number of employment positions in the primary sector [for horizontal inequalities see Stewart and Langer, 2008]), then decremental deprivation may lead to an increased level of frustration which can be transformed into conflict.

In the case of *aspirational deprivation*, value expectations are substantially increased without any increase in capabilities for their fulfilment. Individuals or groups who are undergoing aspirational deprivation have not experienced any loss, but frustration emerges because they cannot attain new, notably higher expectations. These expectations may be related to goods they already possess or they never had before (for example political participation in former colonial administrations).

Aspirational deprivation may be an appropriate theoretical framework for explaining the emergence of conflicts in developing countries (former Third World). Economic opening has enabled these countries to reach high economic growth, but at the same time it has also considerably increased the inequalities (for the examples of China and India whose record levels of economic growth are followed by a dramatic increase in income inequality, see Milanović, 2007). In such circumstances individuals have higher expectations due to the overall progress that is being achieved, but they do not have the ability to fulfil these expectations since it is limited to a very small group of people (this is very close to Horowitz's [1985] concept of ranked groups consisting of subordinate and super-ordinate subgroups with restricted mobility). As in the case of decremental deprivation, education and employment play important parts since they are constricted to a limited number of citizens, diminishing in that way the opportunities for the rest of population. A situation of this kind can be more dangerous than decremental deprivation because a larger number of people are affected (due to the large populations in developing countries) and thereby prospects for conflict outbreak are higher.

Progressive deprivation occurs when during a prolonged period of time both value expectations and capabilities evenly increase because of the constant progress. If, after a long period of growth, a sharp decline in capabilities occurs, progressive deprivation may appear. Examples of progressive deprivation are usually found in societies that have gone through ideological and systemic changes (for instance, a period of economic depression in growing economies like the one in South Asia in 1997). This type of deprivation may also be useful when formulating theories of revolution by asserting that political violence occurs as a consequence of an inappropriate response of social structures to objective changes.

In the case of politically deprived conflicts, decremental and progressive deprivation show wider applicability than aspirational deprivation. When it comes to conflicts induced by economic deprivation the situation is somewhat different, since aspirational deprivation can be used to explain the formation of most of the conflicts, which is not completely plausible for decremental deprivation. Progressive deprivation is not fully applicable in explaining economic deprivation (in contrast to the political one) due to the nature of economic values which rarely imply a constant growth of capabilities and even less so with a parallel increase in expectations.

It should be noted that Gurr believes that, over time, people tend to adapt their expectations to their capabilities, which is why the discrepancy is usually a temporary phenomenon. Individuals show the ability to make value capabilities closer to their expectations, or, if that is not possible, to lower expectations to the level of their capabilities. However, in the case of very high expectations, the equalizing effect takes years, decades or even generations. This is because people quickly obtain the habit of expecting more than their social capabilities allow, but they also get easily frustrated when available means prove to be insufficient and they become aware of their own limitations (Gurr, 1970).

Empirical Research Overview

Empirical studies based on the relative deprivation hypothesis have tried to confirm (by using statistical and econometric methods) the theoretical assumptions regarding the relation between economic inequality and conflicts. Although it is not a theory that inspired a large number of empirical studies (like, for example, the theory of resource mobilization), the obtained results are significant since they confirm the assertions that relative deprivation may be an incentive for violent conflicts.

The first research is the one conducted by Sigelman and Simpson (1977) who, by using econometric analysis, tried to confirm three hypotheses, one of which directly favours the correlation between economic inequality

and conflict, while the other two confirm (or disprove) the findings regarding the relatedness between relative deprivation and conflicts.⁶

It should be noted that the authors examined not only the way in which the wealth is distributed, but also a number of other factors, such as the overall wealth available for distribution, the social and cultural diversity of the population, and the rate at which social change occurs. As indicators they used unequal distributions of income (individual), political violence, social mobility (number of enrolment quotas for educational institutions), cultural diversity, speed of social change (increase in number of inhabitants in cities with a population greater than 100,000 people), size of population and growth of GDP. The sample consisted of 49 countries and included 40 per cent of the world's population, which was, according to the authors, an adequate representation of the world's heterogeneity.

The results confirmed hypothesis (1), asserting the correlation between the inequality in national income and political violence, although the impact of the inequality proved to be rather moderate. No evidence was found that would substantiate initial claims for the second and third hypotheses. Research even showed a negative correlation between conflict and the average level of the world's Gini coefficient (44.8 at the moment of research) as well as Gini 50 (stable economy). Hypothesis (3), claiming that a conflict is most likely to occur when the differences are at their highest or lowest point, was also unverified. The introduction of additional indicators did not change the situation significantly.

Though the research did not detect a high level of correlation between economic inequalities and conflicts, it is significant since it empirically proved the relation between two phenomena, and, even more importantly, it proved that relative deprivation can be used to explain the conflicts induced by economic inequalities.⁷ The authors concluded their research with a note about the importance of examining different types of inequalities, and the relations between them, which is especially

6 The three hypotheses are: "(1) The greater the inequality in the national distribution of personal incomes, the greater the level of political violence; (2) The greater the national deviation in either direction from the mean of the distribution of national income inequality scores, the greater the level of political violence; (3) The less extremely concentrated or dispersed the national distribution of personal incomes, the greater the level of political violence" (Sigelman and Simpson, 1977, pp.106-9).

7 Hypotheses (2) and (3) confirm that conflicts do not break out when inequalities are low (or extremely high), as Gurr has emphasized.

significant since the interconnection with cultural, political and social inequalities can foster, or even prevent, the formation of conflicts caused by high economic polarization (cumulative or cross-cutting effect).

Another research, conducted by Alesina and Perotti (1996), examines the relations between an increase in economic inequalities and political instability, which is very broadly defined and embraces: politically motivated murders, the number of people killed in internal turmoils (with respect to total population), successfully and unsuccessfully executed *coups d'état*, as well as the frequency and freedom of elections. This is why research on political instability is analysed in respect of the claims about causality between economic factors and of violent conflicts introduced at the beginning of the paper.

The research was carried out on a sample of 71 states in the period 1960-1985 and it confirmed the initial hypothesis that economic inequality instigates discontent which can subsequently lead to socio-political instability (and an increased possibility of *coups d'état*, revolutions, political violence, etc.), and finally result in fewer investments and decreased economic growth. Based on the results, the authors conclude that economic inequality and investments are negatively correlated, which is why it is possible to explain why some countries of the Far East, which had implemented agrarian reform and reduced economic inequality, have attracted more foreign investments, and achieved political stability and high economic development, in contrast to regions such as Latin America where inequalities remain in place, thus preventing economic development.

The research conducted by Auvinen and Nafziger (1999, 2002) is of crucial importance for the analysis of the economic inequality-violent conflict relation based on the relative deprivation hypothesis. The reason why complex humanitarian emergencies (CHEs) may be related to violent conflicts can be found in their operational definition which describes emergencies as man-made crises characterized by extensive human suffering and life loss, physical violence and displacement, frequently followed by widespread disease and hunger. CHEs are not just rare occurrences, but rather the culmination of continuous political and economic decay (which often lasts for decades) of the state in question.

The main argument for grounding research on the relative deprivation hypothesis is that during this phase economic inequalities become explicitly visible, and therefore potentially more dangerous. In other words, relative deprivation is more important than absolute deprivation since short-term changes in economic status can have a much stronger influence on individuals than long-term fluctuation during which individuals can accustom themselves to a newly created situation and, by doing so, manage to avoid frustration. Furthermore, absolute deprivation does not offer a full explanation regarding the relationship between economic stagnation and a consequent lack of social cohesion (see Auvinen and Nafziger, 1999).

The first research (1999) is based on the premise that the vulnerability of a population reaches its highest peak during the phase of relative deprivation caused by economic inequalities. Relative deprivation may appear and subsequently cause the occurrence of a complex humanitarian emergency, even when there is a high level of economic growth, if followed by social polarization.⁸ According to the authors, it is especially dangerous if economic inequalities coincide with ethnic, regional or religious inequalities which can intensify the magnitude of a complex humanitarian emergency (the case of the Igbo people in Nigeria, whose fight for the freedom of Biafra was instigated by the loss of oil income in 1964, and followed by religious subordination imposed by central government).

The second research (2002) went one step further, claiming that economic inequalities are a by-product of historical circumstances (such as colonialism or apartheid), unequal distribution of land, an imposed tax system, current regional economic agreements and levels of corruption. Factors such as unequal educational opportunities, limited access to the labour market, unbalanced distribution of state income and linguistic discrimination favouring the language of the majority were also highlighted. The examples may include employment discrimination against the Bengalis in Eastern Pakistan during the 1950s and 1960s, the Hutu-Tutsi conflict for control of the central state institutions in Rwanda and Burundi, and linguistic and educational discrimination against the Tamils in Sri Lanka.

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8 An increase in relative deprivation does not necessarily lead to an increase in absolute deprivation. Stable economic development (no absolute deprivation) can be followed by unequal distribution (most probably due to a lack of redistributive mechanisms) which can lead to the formation of relative deprivation among individuals in the lower strata of the income scale.

Both researches also included other economic factors such as stagnation or decrease in GDP, inflation and food production. Like Collier and Hoeffler (2004), Auvinen and Nafziger also emphasize the role of natural resources in the outbreak of conflicts (*the natural resources trap*). Likewise, military expenditure (as a share in GDP) was considered to be one of the causes which may contribute to complex humanitarian emergencies. This is almost exclusively related to developing states where the military often has greater management capacities than the civil government and represents a potential threat, especially during economic crises when it is necessary to decrease military expenditure. Finally, conflict tradition is introduced as an additional factor in explaining the outburst of violence. In this context, countries with a history of political mobilizations which led to violent conflicts (like Colombia or Rwanda) are at greater risk of complex humanitarian emergency outbreak than countries where such a tradition is not distinctive or present.

Econometric analysis was conducted on a sample of 124 countries in the period from 1980 to 1995, and by using the World Bank database for countries with low and medium levels of income (high-income countries were excluded from the analysis). The results showed a robust correlation between complex humanitarian emergencies (in this case, violent conflicts) and a high Gini in the case of low-income countries. Additionally, it was shown that the length and intensity of humanitarian emergencies depended on the level of military expenditure and the history of armed conflicts. A similar conclusion also applies to the increase/decrease in GDP and the inflation rate. The last factor is also directly related to economic inequalities because inflationary shocks lead to income redistribution, from individuals with low and fixed incomes towards high-earning groups (at least in the initial phase of inflation). The results show that a 10 per cent increase in Gini improves the possibility of a complex humanitarian emergency outbreak by 1.2 per cent, while the same percent of GDP growth reduces it by 4.1 per cent. If GDP growth is 20 per cent higher, the prospects for CHE outset is an additional 3 per cent lower, while larger military expenditures increase the chances of the outbreak by 2.3 per cent. The other factors showed no statistically significant results.

The authors' conclusion is that complex humanitarian emergencies are directly caused by economic factors (inequality, inflation, GDP, military expenditures), while the history of preceding conflicts may have an

influence on the formation and intensity of crises. Based on the results, the authors observe that developing countries need a change in their policy which will include more incentives for economic growth, the introduction of good governance, limitation (or if plausible prevention) of arms trafficking and the introduction of mechanisms for the prevention of shocks caused by deterioration in terms of trade.

Finally, the research of MacCulloch (2005) tries to answer the question of whether economic inequality affects revolution outbreaks.⁹ The results drawn from the database of 250,000 individuals and their attitudes show a positive stand regarding the desirability of revolution in the presence of a high economic inequality rate. The author finds the explanation for this stand in the rational thinking of underprivileged individuals, who perceive revolution outcomes as possible ways of acquiring rights and access to goods that would have been inaccessible to them otherwise. MacCulloch concludes the discussion about the relationship between the increase of the Gini coefficient and support for revolution with a note about evidently positive correlation.

Conclusion

Throughout the better part of the 20th century, states kept imposing economic systems that implied regulatory, but also redistributive mechanisms. The welfare state in Europe, the model of import-substitutions industrialization (ISI) in Latin America, the command system in the countries of the Socialist Bloc, the Third World development model (in Asia and Africa) and the US economy based on Keynesian principles were all able to restrict market forces, if it seemed necessary. Because of this, short-term increases in income inequality did not have social consequences since governments had instruments which could maintain the inequalities at a socially acceptable level. This is why, for the better part of the previous century, the economic factors were not considered to be a root cause of violent conflicts.¹⁰

9 MacCulloch defines revolution in terms of violent disruption of political systems and institutions which leads to an outburst of hostility that is often similar or identical to violent conflict.

10 The examples of Guatemala during the 1960s and El Salvador in the 1980s are in that regard exceptions.

Since the end of the 1970s, the above-mentioned systems have gradually been replaced, mainly by introducing a neoliberal model which became globally dominant by the beginning of the 1990s. In the new model, the redistributive mechanisms lost the importance they previously had, which is associated with the core values upon which the system rests. Neoliberalism upholds extensive and widespread privatization, followed by comprehensive financial deregulation and trade liberalization. It also supersedes the principles of solidarity and public good with the rules of efficiency and individual freedom. With the creation (and implementation) of an economic model characterized by a complete absence of trade barriers and strictly regulated labour market (with the simultaneous disappearance of social safety nets), the income inequalities became increasingly important, and started to grow continuously. At the same time, the economic inequalities stopped being influenced by traditional factors such as unequal property ownership, limited access to education or lack of health care, and became almost entirely dependent on altered economic policies.

The dramatic increase in inequality has not only economic, but social consequences as well. Among these consequences, one of the most important is certainly the increased conflict potential. However, the way in which inequalities lead to the outbreak of violence may be interpreted differently. In this paper emphasis is put on the theory of relative deprivation which stresses the importance of frustration induced by the variance between the expected and the actual situation. The choice was made based on the author's belief that this theoretical viewpoint is completely applicable to economic parameters, especially to income inequalities and the subsequent incapability of individuals to achieve the desired level of welfare which creates a strong feeling of deprivation within them. That also coincides with the neoliberal model which (through its activity) continuously widens the discrepancy between these two positions (expected and actual). The additional importance of the theory in question is given by the numerous empirical studies, like those about complex humanitarian emergencies.

By uniting qualitative and quantitative indicators, the relative deprivation theory clearly demonstrates that a dramatic increase in income inequality may generate great discontent in individuals, which, under favourable

conditions, may lead to the outbreak of violence. This is not only the case on the intra-state level, but on the inter-state and regional levels as well. It is because of all this that initial assumptions on economic inequalities as possible generators of violent conflicts are demonstrated, and then conclusively proved.

Recent events are a main indication that the standpoint discussed in this paper is not only theoretical, but practical as well. Over the last few years, several events have occurred which represent an indicator that deep social differences may have wider consequences unless something is done to prevent this trend. The most drastic is the example of Tunisia where an internal conflict emerged which ended with the political transformation of the country. However, despite the importance of democratization processes, what is more significant is the fact that the conflict started because of pronounced economic inequalities, and only after that did it acquire a political character. Similar observations can be made for other countries in Northern Africa. It can be said that in these cases the consequences of the protests and of the conflict overcame the real reasons for people's discontent, which are of an economic nature. While the final outcome is of great importance for the region it will not be long-lasting unless the deep-rooted causes, at the moment still neglected, are dealt with. In that sense, drastic political changes may prove insufficient unless the same is done in the economic sphere as well.

The protests in Europe and in the United States did not have such drastic consequences, but nevertheless they serve as an indicator that a significant increase in inequality in these parts of the world cannot prevail with the existing economic instruments. Mobilization is especially visible in the U.S. (*Occupy Wall Street*), United Kingdom (*National Union of Students*) and Spain (*Indignados*). And, while in the United States the main incentive for protests is the increased income differentiation, in the other two cases mobilization is enhanced by the dissatisfaction resulting from the increased intergenerational gap. In the current conditions young people do not see opportunities to progress and achieve the economic status available to their parents. The discontent arising from such attitudes is being increasingly transformed into frustration and directed towards state institutions, which are proving to be incapable of resolving these and other similar problems. The problem is even more pronounced in countries

like Iceland (2009) and Greece (2011) where economic hardship brought them to almost a complete collapse of the state apparatus.

Because of the profound economic (and social) crisis and conflict potential posed by the current economic model, the need for new patterns of development is becoming more urgent than ever. But for any change to be successful, it would imply “great transformation” (Polanyi) in all segments of social life. First and foremost, economic policies should, among other things, include increased public spending, a progressive tax scale, a strictly regulated labour market and a defined minimum-maximum wage ratio in the public sector. This would entail growth being accompanied by simultaneous wealth distribution, and not subsequent, which is (or should be) the case now. Following this, political (a shift to equality-based discourse), social (increased social spending and creation of safety social nets) and educational alterations (free and universal education) should occur as well. Finally, for increased human capital to be sustained, accessible health services are a prerequisite which must be obtained. Only by doing all of this can the negative effects of the present model be overcome and problems transcended in a constructive, non-violent way.

The importance of these new policies would lie not only in the efforts to diminish or (if possible) stop current negative indicators, but also in the creation of favourable conditions for the continuous and equal (as much as possible) development of all individuals, regardless of their origin, ethnicity, cultural and linguistic differences and most importantly their financial status. This transformation, if achieved, would imply that solidarity, and not effectiveness, is the new *credo* of the global (un)equal society. In a world where social polarization is becoming the rule rather than the exception, the change of paradigm is of essential importance.

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