

Wang, Te-Yu (Normal, IL) 1993

Dependency and Political Instability in Third World Countries: A Cross-national Analysis

Inequality in its various forms has long been regarded as a major determinant of political violence. The theoretical foundation of this argument is the relative deprivation thesis, which holds that discontent generated from the gap between an individual's expected and achieved well-being is a major cause of violent behavior (Gurr, 1970). A body of quantitative literature has emerged to examine the causal linkage between inequality and collective violence. While different findings have been registered, most of the studies share two important methodological similarities: (1) many studies used event count data as measurements of dependent variables with a measure of deaths from violence as the most widely used indicator (see, e.g., Boswell and Dixon 1990; Hartman and Hsiao 1988; Muller 1985, 1988b; Muller and Seligson 1987; Park 1986; Weede 1981, 1986), and (2) many studies used the logged ordinary least squares (LOLS) method for statistical estimation. As will be demonstrated, LOLS is not appropriate when event count data are used for measurements of dependent variables. The unsuitability comes about because event count variables typically display a Poisson or other count-based distribution; therefore LOLS produces inefficient or biased estimates (King 1988, 1989a-b).

Muller and Seligson (1987) recently examined the relationship between inequality and political violence. Using the LOLS method, they concluded that income inequality (the share of income going to the top 20% of all households) has a strong positive effect on mass violence. I shall replicate this study to demonstrate the unsuitability of LOLS when dependent variables are measured by event count data. I shall then reanalyze their data by using an event count analysis - a statistical technique that has not been used in previous research on political violence but has been successfully employed in studies on presidential appointments of Supreme Court justices (King 1987), on the demand of health insurance and the use of health care services (Cameron and Trivedi, 1986), and on patents and research and development activity (Hall, Griliches, and Hausman 1986; Hausman, Hall, and Griliches 1984). The replicated analysis reveals that inequality in general - whether in the form of income or land maldistribution - does not have statistically significant effect on collective violent behavior. Instead, a semirepressive regime and intensity of separatism are the main causes of mass violence.

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