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Beyond Divide and Rule: Weak Dictators, Natural Resources and Civil Conflict*

Giacomo De Luca[†] Petros G. Sekeris[‡] Juan F. Vargas[§]

Abstract

We propose a model where weak rulers have incentives to let ethnically divided countries plunge in civil war. Allowing inter-group fighting reduces production - and hence the tax base - but enables the ruler to devote more resources to increasing the tax rate. This mechanism is increasingly salient with larger amounts of natural resources, especially if these are unequally distributed across ethnic groups. We validate the theoretical predictions using cross-country data, and show that our empirical results are robust to controlling for the usual determinants of civil war incidence, and to using various proxies for the ruler's relative weakness and for the presence of natural resources.

Keywords: Dictatorship; Civil War; Natural Resources; Ethnic Groups; Inequality **JEL:** D74, Q34, H2

"While Two Dispute, the Third Enjoys". Popular Italian proverb.

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