I'm Broke and my Government ain't Working!

Finding the Interaction Between Civil War Variables

Cyrus Gazdar

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Dr. Noel Anderson

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I. Introduction

The Uppsala Conflict Data Program is an online database which provides immense, rich data on organized conflict. Since the turn of the century, all forms of conflict have seen dramatic increases globally.[1] Since data recording began in 1989,[2] all categories of violence have risen, with a concerning gradual increase since 2009.[3] Non-state violence has enjoyed disproportionate presence in post-colonial countries in the Middle East and Central Africa. At the same time, Latin America has seen a large uptick in the past decade. Not only are civil wars becoming more common, but they are also quickly becoming one of the most destructive forms of conflict in the world.[4] An explosion of grotesque conflicts, as seen in Yugoslavia, have fuelled extensive conversation and debate over the nature of intrastate conflict.[5] Compounding this with humanitarian catastrophes in places like Rwanda, Sudan, and Palestine, the claims entailed in the "End of History" seem as far-fetched as ever.[6]

This topic now stretches far beyond the confines of developing states. There has been a

[1]The UCDP breaks conflict down into three categories: state-based violence, non-state violence, and one-sided violence. More information on their work can be found at https://ucdp.uu.se/encyclopedia

[2]Data recording began in 1975, but this was initially only recording state-based violence. A comparison of all three categories of conflict only began in 1989.

[3]These changes are not minor. Since 2009, non-state violence has increased by 134% one-sided violence by 40% and state violence by 97%.

[4] (Michael Mann, "Have Wars and Violence Declined?", *Theory and Society* 47, no. 1 [Feb. 2018]: 37–60, ISSN: 0304-2421, 1573-7853, visited on 09/25/2025, `https://doi.org/10.1007/s11186-018-9305-y`, `http://link.springer.com/10.1007/s11186-018-9305-y`) (Kai M. Thaler, "Civil Wars as Critical Junctures: Conceptual Grounding and Empirical Potential", *Review of International Studies*, Dec. 10, 2024, 1–18, ISSN: 0260-2105, 1469-9044, visited on 09/25/2025, `https://doi.org/10.1017/S0260210524000871`, `https://www.cambridge.org/core/product/identifier/S0260210524000871/type/journal_article`) (Andreas Wimmer and Brian Min, "The Location and Purpose of Wars Around the World: A New Global Dataset, 1816–2001", *International Interactions* 35, no. 4 [Nov. 30, 2009]: 390–417, ISSN: 0305-0629, 1547-7444, visited on 09/25/2025, `https://doi.org/10.1080/03050620903328837`, `http://www.tandfonline.com/doi/abs/10.1080/03050620903328837`)

[5] (Barry R Posen, "The Security Dilemma and Ethnic Conflict"), (Roger D. Petersen, *Understanding Ethnic Violence: Fear, Hatred, and Resentment in Twentieth-Century Eastern Europe*, 1st ed. [Cambridge University Press, Sept. 2, 2002], ISBN: 978-0-521-00774-0 978-0-521-80986-3 978-0-511-84066-1, visited on 11/08/2025, `https://doi.org/10.1017/CBO9780511840661`, `https://www.cambridge.org/core/product/identifier/9780511840661/type/book`), (Peter Andreas, "The Clandestine Political Economy of War and Peace in Bosnia", *International Studies Quarterly* 48, no. 1 [Mar. 2004]: 29–52, ISSN: 0020-8833, 1468-2478, visited on 11/08/2025, `https://doi.org/10.1111/j.0020-8833.2004.00290.x`, `https://academic.oup.com/isq/article-lookup/doi/10.1111/j.0020-8833.2004.00290.x`)

[6]The End of History refers to the power of liberal internationalism being incapable of materially incentivizing people to stay out of violent conflict.

growing concern over otherwise "safe" states and their ability to suppress intrastate conflict. In the United States, the rise of Trumpian populism and an increasing amount of institutional defiance from state governments has resulted in an expanding discussion of civil war in the United States.[7] Additionally, populism spreading to Europe has heightened concerns over radicalization within liberal democracies, coinciding with the ascension of far-right parties such as Reform UK and Alternative für Deutschland in Germany.[8]

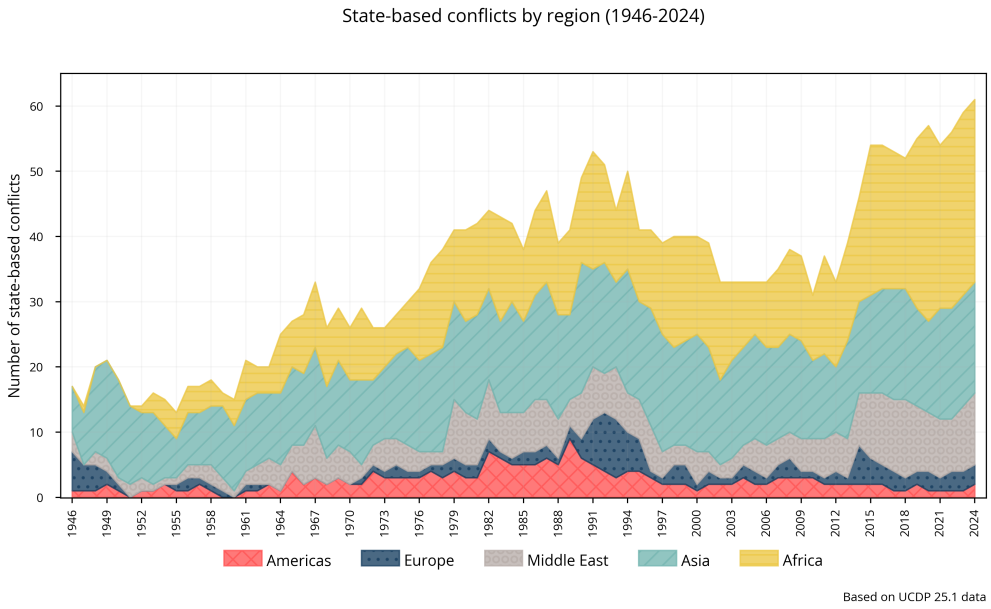

Figure 1: Davies, S., Pettersson, T., Sollenberg, M., Öberg, M. (2025). Organized violence 1989–2024, and the challenges of identifying civilian victims. Journal of Peace Research, 62(4).

In Canada, tensions between English Canada and Quebec have historically fluctuated, but the election of Mark Carney in April 2025 has seen the ascention of Western alienation, and secessionist groups such as the Republican Party of Canada have seen a rise in visibility

[7] (Jeffrey Paul, *Winning America's Second Civil War: Progressivism's Authoritarian Threat, Where It Came from, and How to Defeat It*, First edition [New York: Encounter Books, 2024], ISBN: 978-1-64177-379-9), (Michael Haas, *Beyond Polarized American Democracy: From Mass Society to Coups and Civil War* [New York (N.Y.): Routledge, Taylor & Francis group, 2024], ISBN: 978-1-032-47414-4 978-1-032-47413-7), (Stephen Marche, *The next Civil War: Dispatches from the American Future*, First Avid Reader Press hardcover edition, Includes bibliographical references (pages 231-238) [New York London Toronto Sydney New Delhi: Avid Reader Press, 2022], ISBN: 978-1-9821-2321-5)

[8] (Penny Bochum, *'We Are the People': The Rise of the AfD in Germany*, Haus Curiosities [London: Haus Publishing, 2020], ISBN: 978-1-912208-93-7)

and popularity. The question then begs what pushes people towards radical politics and, more specifically, the decision to take up arms against their government.

A sizeable amount of the preexisting literature surrounding civil war onset is rooted in studying potential causes, but generally retains focus on variables such as GDP per Capita and Political Instability. GDP per Capita is generally found to be a statistically significant and robust variable on the onset of civil wars[9]. For states undergoing a transitional period for their institutions, they would similarly likely be exposed to the emergence of rebellion, secessionist, nationalist, or terrorist groups, as they lose or are forced to give up their consolidation on said relevant institutions[10]. The significance of political instability in emerging states is particularly relevant, as the onset and progression of the ideological Cold War resulted in a number of proxy wars in post-colonial states and particularly in Latin America.

Despite steadfast findings on the individual merits of these variables, there lack of research regarding the meditative effects these variables may have when coded together. That is to say, if one variable would offset the robustness of another variable on the likelihood of civil war onset. This gap is particularly odd, as it is spotted in many cases. The ruling party in China, for example, faces challenges of political instability or threats to its rule. Despite this, however, the Chinese Communist Party currently retains a hegemonic degree of consolidated power. While there are several reasons why this might be the case, consistent economic

[9] (Eli Berman et al., "Do Working Men Rebel? Insurgency and Unemployment in Afghanistan, Iraq, and the Philippines", *Journal of Conflict Resolution* 55, no. 4 [Aug. 2011]: 496–528, ISSN: 0022-0027, 1552-8766, visited on 09/25/2025, https://doi.org/10.1177/0022002710393920, https://journals.sagepub.com/doi/10.1177/0022002710393920), (P. Collier, "Greed and Grievance in Civil War", *Oxford Economic Papers* 56, no. 4 [June 22, 2004]: 563–595, ISSN: 1464-3812, visited on 09/25/2025, https://doi.org/10.1093/oep/gpf064, https://academic.oup.com/oep/article-lookup/doi/10.1093/oep/gpf064), (Joshua D. Angrist and Adriana D. Kugler, "Rural Windfall or a New Resource Curse? Coca, Income, and Civil Conflict in Colombia", *Review of Economics and Statistics* 90, no. 2 [May 2008]: 191–215, ISSN: 0034-6535, 1530-9142, visited on 09/25/2025, https://doi.org/10.1162/rest.90.2.191, https://direct.mit.edu/rest/article/90/2/191-215/57712)

[10] (Lalith Seelanatha, "Political Instability, Civil War and Cost Efficiency of Banking Firms: A Case Study in Sri Lanka*", *Asian Economic Journal* 35, no. 3 [Sept. 2021]: 294–316, ISSN: 1351-3958, 1467-8381, visited on 09/25/2025, https://doi.org/10.1111/asej.12250, https://onlinelibrary.wiley.com/doi/10.1111/asej.12250)

improvements and development since the agrarian economy have lent the CCP legitimacy.[11] My hope with this paper is to contribute to the already rich but continuously growing body of research by identifying the interactive effect these variables have in the context of civil war onset. I am seeking to utilize existing literature to catalogue a possible compounding effect.

In order to pinpoint the potential relationship that these two variables have, we must first articulate what they represent individually. While GDP per Capita continuously yields significant relationships with civil war onset, there is a large field within the study of civil war conflict resolving what it is a measurement of. Two large camps are notable, one viewing it as "foregone earnings," that being a lost cost opportunity, increasing grievances and making it easier for rebellion groups to form. Another camp perceives GDP as a measurement of state capacity. According to standard Weberian theory would suggest that a poor state would be incapable of maintaining a monopoly on the legitimate use of violence in a given territory. Distinguishing these two camps and taking into account the data dataset's interpretation of GDP is critical in determining the findings of the variable on its own and the results it would have on an interactive effect. Political instability also remains as one of the most robust findings in civil war literature. While there is variation in what this also represents, instability generally represents a state's inability to maintain a consolidation of power on critical political institutions that legitimize government rule. This definition expands my curiosity about an interactive effect, perhaps in a negative way. If GDP was representative of state institutions, and the decline of political stability both contribute to civil wars, both of these variables should also mediate a unique effect — such as creating a much higher likelihood of civil war compared to the variables on their own.

After an overview of the literature, I will present a preliminary argument alongside a number of hypotheses and a methodological framework. While there are now countless

[11] (André Laliberté and Marc Lanteigne, eds., "New Modes of Urban Governance: Building Community/ Shequ in Post-Danwei China.", in *The Chinese Party-State in the 21st Century: Adaptation and the Reinvention of Legitimacy*, Routledge Contemporary China Series 28 [London: Routledge, 2008], 22–38, ISBN: 978-0-203-93327-5 978-0-415-45056-0)

datasets and models built for measuring civil war onset, I will be using Sambanis' (2004) for reasons discussed later in the paper. I will argue that a multiplicative effect will occur, in that when interacting with each other, the slope of GDP would be steeper or flatter depending on the value of political instability, and vice versa. However, alternative outcomes are possible, and there should be an expectation that our findings do not overlap with our predictions. As such, I will posit two more explanations. First, our tests might yield additive results. In this case, the findings of our variables will remain significant and robust, but are not amplified by each other. Finally, there is a possible outcome where there is no significant finding.

Nevertheless, the lack of quantitative literature surrounding this topic means there will need to be an extensive dialogue on our findings. This may be more challenging than it otherwise might seem, as the results of our findings mean we would need to understand the relationship these two variables share with each other, even separately from the context of civil war. For example, cases of high political instability may not necessarily correlate with lower cases of GDP per capita. Say, for example, a high amount of political instability stemming from rapid political change during the New Deal era in the 1940s coincided with a rapid increase in total and comparative GDP.[12] Conversely, cases not deemed as political instability may hamper economic development, such as a legislative deadlock. Additionally, the findings could involve an investigation into the different camps and measurements which define the variables used in our methodologies, especially if they do not support the primary hypothesis.

II. Political Instability, Income, & Civil War

As mentioned earlier, the literature on the onset of civil war has continued to grow. GDP remains a robust indicator in this field, but there is a rich debate over its representativeness. This debate is important as normative, empirical, and policy implications. Different ap-

[12] (Eric Rauchway, *Why the New Deal Matters*, Why X Matters [New Haven: Yale University Press, 2021], ISBN: 978-0-300-25200-2 978-0-300-25821-9)

proaches to the measurement will naturally change our conceptions of how we are supposed to interpret the variable, and how it plays into broader ideas within political science. For example, if one approach were to adopt GDP as a measurement of state strength, we need to find a way to fit this perspective into our study of the Westphalian state structure as a whole. Additionally, we should consider the empirical effects this debate will have. As

0.1 "Foregone Earnings"

The first camp views GDP per capita as "foregone earnings." There are a few roles that GDP plays in the prospect of civil war onset. The first are grievances within a population. As a national economy stagnates or noticeably declines, the citizens of the country are more likely to turn to illicit and illegal methods to either stay afloat, fight for a better future, or for greed-based motivations.[13] This can take several forms, one of the more commonly seen ones is organized crime groups in the United States who suffer from disproportionate wealth inequality as a history of structural racism.[14] This is an important secondary point to this, however. Cases presented by Collier and Hoeffler, such as Afghanistan, Vietnam, and Sudan

[13] (Charles T. Call, "Liberia's War Recurrence: Grievance over Greed", *Civil Wars* 12, no. 4 [Dec. 2010]: 347–369, ISSN: 1369-8249, 1743-968X, visited on 11/09/2025, https://doi.org/10.1080/13698249.2010.534621, https://www.tandfonline.com/doi/full/10.1080/13698249.2010.534621) (P. Collier, "Greed and Grievance in Civil War", *Oxford Economic Papers* 56, no. 4 [June 22, 2004]: 563–595, ISSN: 1464-3812, visited on 09/25/2025, https://doi.org/10.1093/oep/gpf064, https://academic.oup.com/oep/article-lookup/doi/10.1093/oep/gpf064) (INDRA DE SOYSA, "Paradise Is a Bazaar? Greed, Creed, and Governance in Civil War, 1989-99", *Journal of Peace Research* 39, no. 4 [July 1, 2002]: 395–416, ISSN: 0022-3433, visited on 11/09/2025, https://doi.org/10.1177/0022343302039004002, https://doi.org/10.1177/0022343302039004002) (Paul Hallwood, "QUANTIFYING GREED AND GRIEVANCE IN CIVIL WAR: THE AMERICAN WAR OF INDEPENDENCE", *Defence and Peace Economics* 24, no. 5 [Oct. 2013]: 449–463, ISSN: 1024-2694, 1476-8267, visited on 11/09/2025, https://doi.org/10.1080/10242694.2012.744203, http://www.tandfonline.com/doi/abs/10.1080/10242694.2012.744203) (David Keen, "Greed and Grievance in Civil War", *International Affairs* 88, no. 4 [July 2012]: 757–777, ISSN: 00205850, visited on 11/09/2025, https://doi.org/10.1111/j.1468-2346.2012.01100.x, https://academic.oup.com/ia/article-lookup/doi/10.1111/j.1468-2346.2012.01100.x) (Patrick M. Regan and Daniel Norton, "Greed, Grievance, and Mobilization in Civil Wars", *Journal of Conflict Resolution* 49, no. 3 [June 1, 2005]: 319–336, ISSN: 0022-0027, visited on 11/09/2025, https://doi.org/10.1177/0022002704273441, https://doi.org/10.1177/0022002704273441) (Ted Robert Gurr, "The Intensity and Scope of Relative Deprivation & Social Origins of Deprivation: Sources of Ridings Expectations", in *Why Men Rebel*, 4. printing, Center of International Studies Publications, Bibliographie: Seite 369-407 [Princeton, New Jersey: Princeton University Press, 1974], 92–155, ISBN: 978-0-691-02167-6 978-0-691-07528-0)

[14] (Currie Elliot, "Introduction", in *A Peculiar Indifference: The Neglected Toll of Violence on Black America A Peculiar Indifference : The Neglected Toll of Violence on Black America* [New York: Metropolitan Books, 2020], 1–19, ISBN: 978-1-250-76993-0)

do not only have economic grievances against the state, but also saw rebel groups capitalize on the lack of economic productivity of the state by lowering recruitment costs. In this case, a lower GDP also serves as a mechanism for enabling an easier entry into rebel groups by increasing membership and operational capacity.

This camp also finds that a lack of "soft" state institutions, such as schools or available work, is also more likely to increase civil war onset. Findings in this ideological framework operationalize GDP through the efficiency of the state's investments in general administrative and procedural affairs. As such, increased enrolment in secondary education would generally see a reduction in the likelihood of civil war.[15] Similarly, continuous economic growth would hamper a rebellion group's ability to recruit. There are two important things to note here. First, this framework crosses out ideological or political-motivated charges, rather consolidating behind the findings that grievances that lead to fighting in a civil war are just that — personal grievances. The purpose of joining a rebel group is, as such, totally personalistic and serves nothing other than material survival. The second point to note is that once adequate standards are met, rebels may leave the group if they believe they can survive under safer circumstances. [16]

0.2 "State Capacity"

The second theoretical group views GDP as a fill-in for state capacity. Whereas the previous framework viewed GDP as a measure for grievances, this camp views it in a more structural perspective, the structure here being state institutions. This approach claims that an anarchic environment is born from a lack of adequate state institutions, which, according to a Hobbesian-realist perspective, would result in higher recruitment for rebel groups.[17]

[15] (P. Collier, "Greed and Grievance in Civil War", *Oxford Economic Papers* 56, no. 4 [June 22, 2004]: 563–595, ISSN: 1464-3812, visited on 09/25/2025, https://doi.org/10.1093/oep/gpf064, https://academic.oup.com/oep/article-lookup/doi/10.1093/oep/gpf064)

[16] (Patrick M. Regan and Daniel Norton, "Greed, Grievance, and Mobilization in Civil Wars", *Journal of Conflict Resolution* 49, no. 3 [June 1, 2005]: 319–336, ISSN: 0022-0027, visited on 11/09/2025, https://doi.org/10.1177/0022002704273441, https://doi.org/10.1177/0022002704273441)

[17] (James D. Fearon and David D. Laitin, "Ethnicity, Insurgency, and Civil War", *American Political Science Review* 97, no. 01 [Feb. 2003]: 75–90, ISSN: 0003-0554, 1537-5943, visited on 11/09/2025,

Similar to foregone earnings, this camp also contains the element of survival. A lack of state institutions, such as a police or military force, opens up power vacuums that are filled by rebel or terrorist groups. Furthermore, not only do rebel groups seize opportunities where the state is lacking, but additionally, the state also struggles to contend against these forces due to a low to stagnant GDP. Compare, for example, a case where a known network of rebels is based out of a mountain range; this theory would suggest that a state with a high GDP would have the administrative and military apparatus to locate and liquidate the group with relative ease. In the opposite case, a state with a low GDP may struggle to locate this group and experience more hurdles when attempting to take it out.

Whereas the foregoing earnings focus on economic solutions to hamper the efforts of terrorist groups, this camp believes that the state must develop itself and the necessary institutions to competently combat terrorist forces. This generally includes financial, military, police, and administrative bureaucracies. Furthermore, the state must also invest in its physical, direct ability to destroy terrorist or rebel groups. This includes the modernization of previously mentioned institutions as well as the move towards coherent practices that pivot away from irregular militia strategies, such as legal accountability within the army. To describe this framework, GDP can be seen as a metric not necessarily for measuring a nation's wealth, but rather as a measurement for a state's capability of preventing the outbreak of civil war through coercive means, and the state's ability to deal with rebel groups if a civil war were to break out.

This debate is of particular importance. First, there are empirical repercussions when distinguishing between the two camps. More specifically, the right-hand variables that are tested vary depending on how they are being perceived. On the assumption that GDP is a measurement of foregone earnings, sideline tests generally include other proxies that would seek to minimize recruitment feasibility. An example of this is testing secondary school enrolment or gradual economic growth as right-hand variables. This approach claims that

https://doi.org/10.1017/S0003055403000534, http://www.journals.cambridge.org/abstract_S0003055403000534)

a higher GDP creates financial and social channels to make it increasingly distasteful and more expensive to join a rebel group, and the secondary tested variables would need to reflect this. Conversely, viewing it as state capacity would require testing it alongside more "realist" variables, such as terrain (mountains), natural resources, and funding for state institutions. As such, broader testing for civil war onset would be influenced by the theoretical definition that is presented by GDP per capita. This paper does not avoid this debate, as will be seen in the research.

The designation of GDP per capita would help point to the rise of rebellion groups. If, for example, a rebel group existed in a country, the grievance argument would approach this on the assumption that the state is incapable of delivering needs to the people joining, whereas the latter camp would see it as the state's inability to quell said rebellion. As such, interpretations to resolving a civil war would be perceived differently, whereas in one case the approach would entail a large amount of "soft" power approach — in which the state would have to financially strain out the popularity of rebellion groups by providing material satisfaction to their citizens, whereas the second approach would require a "hard" power procedure, where the state would seek to maximize GDP in an effort to bolster state capacity to physically bury terrorist or rebellion groups.

Political instability is also a consistently robust finding on civil war onset. While the meaning of political instability may differ depending on the author, the consensus is generally aligned in that political instability occurs when there is a lack of strength to maintain the state's control over the political institution. This can take the form of a failure to bolster financial services,[18], politicians failing to remain in power[19], an increase in terrorist and

[18] (Lalith Seelanatha, "Political Instability, Civil War and Cost Efficiency of Banking Firms: A Case Study in Sri Lanka*", *Asian Economic Journal* 35, no. 3 [Sept. 2021]: 294–316, ISSN: 1351-3958, 1467-8381, visited on 09/25/2025, https://doi.org/10.1111/asej.12250, https://onlinelibrary.wiley.com/doi/10.1111/asej.12250) (Mark J. Roe and Jordan I. Siegel, "Political Instability: Effects on Financial Development, Roots in the Severity of Economic Inequality", *Journal of Comparative Economics* 39, no. 3 [Sept. 2011]: 279–309, ISSN: 01475967, visited on 11/25/2025, https://doi.org/10.1016/j.jce.2011.02.001, https://linkinghub.elsevier.com/retrieve/pii/S014759671100014X)

[19] (Henry Ivarature, "The Hidden Dimension to Political Instability: Insights from Ministerial Durations in Papua New Guinea from 1972 to 2017", *Asia & the Pacific Policy Studies* 9, no. 2 [2022]: 134–146, ISSN: 2050-2680, visited on 11/25/2025, https://doi.org/10.1002/app5.352, https://onlinelibrary.wiley.

violent crimes due to a lack of state oversight,[20] along other issues.

Instability remains an important marker for empirical testing. A lack of differing opinions on its conceptual definition means it is tested in many empirical models. Additionally, its robustness means that, according to metrics used to analyze civil war onset, we can pinpoint regions and states where conditions for political stability are met, and as such identify where prospective civil war onset may manifest, while also using coded definitions for political instability to advise on the prevention of a possible civil war. For example, if political stability is found to increase civil war onset by 100%, and the method for calculating Instability was to track how unrepresentative an electoral system is, a pivot to a different electoral system may help deviate from a future conflict.

While the dialogue above demonstrates that both these variables are talked about extensively in accordance with their vital role in empirical testing, there is a remarkable lack of information on this specific topic. Specifically, there is a lack of empirical testing on the meditative relationship these two variables share. This is interesting for a few reasons. First, there are several well-known cases of states undergoing large amounts of political instability or experiencing low GDP while avoiding the threat of civil war onset, in part due to the offsetting effect of the other variable. Earlier in this paper, the example of China was brought up, but other cases, such as constant economic growth under "New Deal" policies of the first three Franklin Roosevelt Administrations, meant that not only was civil war not within the realm of possibility, but his government enjoyed a high amount of support even through several Congressional deadlocks and Supreme Court challenges.[21]

Additionally, changes in one variable also generally have an effect on the other. The rise of

com/doi/abs/10.1002/app5.352)

[20] (Michael J. Schumacher and Peter J. Schraeder, "Does Domestic Political Instability Foster Terrorism? Global Evidence from the Arab Spring Era (2011–14)", *Studies in Conflict & Terrorism* 44, no. 3 [Mar. 4, 2021]: 198–222, ISSN: 1057-610X, 1521-0731, visited on 11/25/2025, https://doi.org/10.1080/1057610X.2018.1538124, https://www.tandfonline.com/doi/full/10.1080/1057610X.2018.1538124)

[21] (Cowie Jefferson, "Toward a New Gilded Age", in *The Great Exception: The New Deal and the Limits of American Politics* [New Jersey: Princeton University Press, 2016], 179–209, ISBN: 1-4008-7441-6, https://www-degruyterbrill-com.myaccess.library.utoronto.ca/document/doi/10.1515/9781400874415/html#contents)

communist and fascist governments in the early to mid-20th century. The Russian Empire was in a period of continuous economic decline when the October Revolution sparked, a decline which had an effect on the Tsar's ability to unconditionally rule. Excluding cases of civil war, the Great Depression and Weimar Germany serve as examples for how the two variables play off each other. The total collapse of an already unsteady German economy resulted in the emergence of extremist political parties seeking to challenge the Weimar constitutional system. The economic conditions allowed for the Nazi party to rapidly climb the court of public opinion, at least despite — if not for — the fact that it was destabilizing the republican government.[22] These cases are extreme, although it would be hard to imagine that there is no connection between these two.

Finally, these two variables frequently go hand-in-hand with each other, so it would seem odd that they would not be seen as more commonly interwoven. More specifically, there can be a claim that, especially within a capitalist economic framework, the ability for a government to maintain stability would be an important step in garnering economic investment. The political difficulties of maintaining a high degree of stability would yield a reward of greater trust from wealthy investors to develop a national economy. It is important to note here that, in regards to this point, as well as the other ones listed — different interpretations of GDP would influence the relationship it has with political instability. If we were to approach GDP as foregone earnings, for example, the relationship it shares with political instability could entail the inability to stabilize an economic downturn, whereas a state capacity argument could see this relationship as the government being unable to reliably perform state functions, such as collecting taxes or hold total control over its territory free of rebel, terrorist, or insurgent groups.

[22] (Mommsen Hans, "The Nazi Breakthrough & Government in Crisis", in *The Rise and Fall of Weimar Democracy* [North Carolina: North Carolina Press, 1996], 318–398, ISBN: 979-8-89088-262-2)

III. Thesis, Methodology, and Hypotheses

0.3 Qualitative or Quantitative?

The study of civil war has been expressed in many different ways. This includes a large qualitative field, with a strong focus on the various forms of civil war. For example, Kaldor projects the contemporary nature of civil wars as pivoting away from the standard conflict into an anarchic form of organized violence, which entails a combination of standard warfare, organized crime, and the systemic violation of human rights.[23] Additionally, Münkler suggests that the 'new wars' theory replaces power and political institutions of 'old wars' with a larger emphasis on the political identity, and personalized economic grievances. [24] While supporting literature is vast, there is also a large field working to debunk the 'old versus new civil wars' concept, which works with historical analysis of civil wars alongside supporting case studies. Other qualitative analyses of civil wars discuss the grotesque and often desperate nature of conflicts. Regarding the latter, Andreas uses the case of Bosnia to describe how the on-the-go decision-making during the siege of Sarajevo allowed not just for the survival of the city, but also how the incorporation of criminal organizations into state institutions shaped the future political apparatus.[25] Finally, Sweet presents an argument that rebel groups "legally appropriate" state institutions to legitimize their rule, using the Rally for Congolese Democracy (RCD) as an example.[26]

[23] (Mary Kaldor, *New and Old Wars*, Third edition [Cambridge Malden: Polity, 2012], ISBN: 978-0-7456-5562-8 978-0-7456-5563-5)

[24] (Herfried Münkler, "The New Wars", in *The SAGE Handbook of Political Science*, by Dirk Berg-Schlosser, Bertrand Badie, and Leonardo Morlino [1 Oliver's Yard, 55 City Road London EC1Y 1SP: SAGE Publications Ltd, 2020], 1320–1334, ISBN: 978-1-5264-5955-8 978-1-5297-1433-3, visited on 11/15/2025, https://doi.org/10.4135/9781529714333.n81, https://sk.sagepub.com/reference/the-sage-handbook-of-political-science/i8167.xml)

[25] (Peter Andreas, "The Clandestine Political Economy of War and Peace in Bosnia", *International Studies Quarterly* 48, no. 1 [Mar. 2004]: 29–52, ISSN: 0020-8833, 1468-2478, visited on 11/08/2025, https://doi.org/10.1111/j.0020-8833.2004.00290.x, https://academic.oup.com/isq/article-lookup/doi/10.1111/j.0020-8833.2004.00290.x)

[26] (Rachel Sweet, "Concealing Conflict Markets: How Rebels and Firms Use State Institutions to Launder Wartime Trade", *International Organization* 75, no. 4 [2021]: 1109–1132, ISSN: 0020-8183, 1531-5088, visited on 11/15/2025, https://doi.org/10.1017/S0020818321000205, https://www.cambridge.org/core/

For this study, however, a quantitative approach will be taken. There are a few reasons for this. First, the observable data is far too large for individual cases to be necessary. To be more specific, this paper's dataset and initial model will be taken from Sambanis (2004), which contains over 3,600 observations.[27] Additionally, the tests run in this paper will not include just the interactive effect, but also another series of right-hand control variables, including GDP growth, anocracy, ethnic fractionalism, mountainous terrain, and others. The nature of these variables, as well as the number of observables, does not necessitate the need for in-depth case studies. Rather, this study will adopt a quantitative approach to utilize the dataset for the sake of (i) pattern recognition and (ii) generalizability. In running these tests, we will search for robust findings, which will, in turn, allow us to find patterns which will clear up the data for a rich discussion about our findings. Additionally, a quantitative study would allow for generalizability, as variables such as oil exports, mountainous terrain, and GDP per capita, alongside the large number of cases present in the dataset, will allow us to make analyses on other situations.[28]

0.4 Thesis and Hypotheses

I will argue that a multiplicative effect will be seen when testing an interaction between GDP per capita and political instability. The reasoning for this is the shared effect these two variables have on each other. Specifically, the effects of one variable on civil war onset are shaped by the other variable. In this study, our primary variables will be as follows: IV I: GDP per capita *(gdpl1)*, IV II: Political instability *(inst3l1)*, and DV: Civil war onset *(warstns)*. As demonstrated in **Table 1**, a run of our variables indicates that civil war onset

product/identifier/S0020818321000205/type/journal_article)

[27] (Nicholas Sambanis, "What Is Civil War?: Conceptual and Empirical Complexities of an Operational Definition", *Journal of Conflict Resolution* 48, no. 6 [Dec. 2004]: 814–858, ISSN: 0022-0027, 1552-8766, visited on 09/25/2025, https://doi.org/10.1177/0022002704269355, https://journals.sagepub.com/doi/10.1177/0022002704269355)

[28] Generalization will be more difficult depending on the variable. Metrics such as political instability may not be transferable between different political regimes or systems, making the generalization incorrect.

has a significant correlation with political instability and GDP per capita.[29] However, for a variety of reasons, it would not be too difficult to conceptualize the role these two variables play in shaping each other. In autocratic regimes, legitimacy is not built on a democratic system to boost support for a government, and as such will have to look to other means of legitimacy. While traditional or charismatic legitimacy may help, a rational-legal argument would suggest that the stability a government would seek would come in economic sustenance. The case of China demonstrates this. Serious challenges to CCP rule are infrequent in large part due to the economic success of the party in the past decades. As such, when challenges do occur, such as the 2020 white paper protests and the ongoing Hong Kong riots, consistent GDP growth negates these effects on civil war onset.

The China case is one example, but this interaction can span several directions and can be extrapolated to democratic states. For example, a Congressional shutdown in the United States can prevent the release of data such as jobs reports, which are used by investors when stimulating the national economy. In this case, the shutdown (a product of political instability), affects the investment of an economy. As such, this thesis will be supported by **H1 - that our tests will yield a multiplicative effect**. This means that upon running our tests, we will not only see the same robust findings as when tested alone, but also see a larger effect on our DV when tested together. However, we should be ready to see that our results are not yielding this effect, so I will also propose **H2 - our tests will yield an additive effect**. In this case, the individual variables will still yield their significance individually, but there is no effect on the DV when the interaction is put into place. This hypothesis is already partly affirmed as present in Table 1, although there is another piece to consider. It is possible that when our variables are put together, not only do we not see civil war onset not affected by the interaction, but rather that our two IVs lose their significance

[29]Variables are lagged by one year. There are two reasons for this. First, it provides us with a perfect replication of Sambanis' tests. Additionally, lagging variables ensure that our findings occur *after* the onset of the civil war, not as a product of the conditions which led up to it. This is especially necessary for volatile variables like GDP per capita and political instability. Going forward, all variables (including confounding) will be lagged by one year.

Table 1: Probit Model of Civil War Onset (1960–1993)

	Civil War Onset (warstns)
GDP per capita (lagged) *(gdpl1)*	−0.073***
	(0.027)
Political Instability (lagged) *(inst3l1)*	0.297**
	(0.139)
GDP Growth (lagged) *(grol1)*	0.179
	(0.574)
Anocracy (lagged) *(anoc2l1)*	0.226*
	(0.128)
Oil exporter (lagged) *(oil2l1)*	0.100
	(0.119)
Ethnic fractionalization (lagged) *(ef1)*	0.290
	(0.208)
Log population (lagged) *(lpopnsl1)*	0.076**
	(0.030)
Mountainous terrain (lagged) *(mtnl1)*	0.002
	(0.003)
% Muslim (lagged) *(muslim)*	0.002
	(0.001)
Peace years (lagged) *(ptwns)*	−0.004
	(0.006)
Constant	−3.370***
	(0.567)
Observations	3,622
Note:	*p<0.1; **p<0.05; ***p<0.01

as well. As such, I will posit **H0 - our test will cause our two IVs to lose their significance**. The robustness of the variables would indicate that this would not be the case, so upon running our data, we should be able to confidently reject the null hypothesis, affirm H2, and be able to confirm H1.

0.5 Methodology

As mentioned earlier, extensive discussion on civil wars already exists. There are countless articles with different methodologies and approaches to coding civil war onset. For this paper, however, I will utilize Sambanis' coding method, which defines a conflict as a civil war if the

following characteristics are met:

(i) The war takes place within the territory of a state that is a member of the international system with a population of 500,000 or greater.

(ii) The parties are politically and militarily organized, and they have publicly stated political objectives.

(iii) The government (through its military or militias) must be a principal combatant. If there is no functioning government, then the party representing the government internationally and/or claiming the state domestically must be involved as a combatant.

(vi) The main insurgent organization(s) must be locally represented and must recruit locally. Additional external involvement and recruitment need not imply that the war is not intrastate. Insurgent groups may operate from neighbouring countries, but they must also have some territorial control (bases) in the civil war country and/or the rebels must reside in the civil war country.

(v) The start year of the war is the first year that the conflict causes at least 500 to 1,000 deaths. If the conflict has not caused 500 deaths or more in the first year, the war is coded as having started in that year only if cumulative deaths in the next 3 years reach 1,000.

(vi) Throughout its duration, the conflict must be characterized by sustained violence, at least at the minor or intermediate level. There should be no 3-year period during which the conflict causes fewer than 500 deaths.

(vii) Throughout the war, the weaker party must be able to mount effective resistance. Effective resistance is measured by at least 100 deaths inflicted on the stronger party. A substantial number of these deaths must occur in the first year of the war.41 But if the violence becomes effectively one-sided, even if the aggregate effective-resistance threshold of 100 deaths has already been met, the civil war must be coded as having ended, and a politicide or other form of one-sided violence must be coded as having started.

(viii) A peace treaty that produces at least 6 months of peace marks an end to the war.

(ix) A decisive military victory by the rebels that produces a new regime should mark

the end of the war. Because civil war is understood as an armed conflict against the government, continuing armed conflict against a new government implies a new civil war. If the government wins the war, a period of peace longer than 6 months must persist before we code a new war.

This strong definition, alongside the high observables, means our tests will assist with the implications of the findings. The test will be relatively straightforward. We have already tested all the critical variables in Table 1, so going forward, we will first test the interactive effect without any of the control variables. The reason for this is to test the effect without any adjustments for risk or cofounding variables. In doing this, we break down the interaction to its simplest effect. After this, we will run the same test again, but with the control variables present. In this case, the test would determine whether or not the interaction effect would be changed based on confounding variables across different cases. In taking into account things like anocracy, oil exports, population, and others, important risk factors are taken into account to see how strong the interactive effect is without outside influence. Additionally, all variables are lagged by one year.

IV. Findings

Since our dependent variables are binary, we use profit regressions to evaluate our hypotheses in a multivariate setting. **Table 2** is the first test run. In the first column, we have placed the IVs on their own. Though the coefficients differ from those in Table 1, this can likely be attributed to the removal of control variables and to a different optimization algorithm used when transmitting the data.[30] We confirm again that both variables remain robust and significant on the DV. The change in observations is also insignificant. In the right column, the interactive effect is added. Pushing against H1, no significant finding is present, indicating that there is no interactive effect present in this test. H2 is affirmed,

[30]The original Sambanis Model was originally done through the state. All tests in this paper were done with R.

as the original variables are still present as robust variables, showing an additive effect is present, as GDP per capita stays significant on the <0.01 level, while political instability drops to <0.05, but remains significant. H0 is consequently rejected.

Table 2: Probit Models of Civil War Onset (1960–1993)

	DV - Civil War Onset (warstns)	
	GDP + Instability	Interaction Added
	(1)	(2)
GDP per capita (lagged) *(gdpl1)*	-0.095^{***}	-0.092^{***}
	(0.025)	(0.026)
Political Instability (lagged) *(inst3l1)*	0.356^{***}	0.414^{**}
	(0.125)	(0.196)
GDP * Instability		-0.030
		(0.075)
Constant	-1.863^{***}	-1.871^{***}
	(0.085)	(0.087)
Observations	3,669	3,669
Note:		*p<0.1; **p<0.05; ***p<0.01

Results found in **Table 3** test the same effect but incorporate control variables. In addition to replicating the original tests, adding control variables should help in taking into account confounding variables and strengthen the robustness of our interactive effect. The left and middle columns are the same as in Table 2, and the right column shows the same text with the interactive effect. Observations are interesting. H1 shares the same fate as without the control variables, remaining insignificant and is rejected. H2, however, is only partly affirmed. GDP per capita remains a robust finding at <0.01, but political instability loses all its significance. Similarly, H0 is partly accepted on these grounds. Control variables also remain mostly insignificant, with only anocracy and population being significant on the <0.1 and <0.05 levels respectively. Our findings indicate that a positive interactive effect is not present and that when control variables are added, our previously strong variables lose their significance. This should naturally lead to an extensive discussion as to why this would be the case.

Table 3: Probit Model of Civil War Onset (1960–1993) With Control Variables + Interaction

	DV - Civil War Onset (warstns)
GDP per capita (lagged) *(gdpl1)*	-0.071^{***}
	(0.027)
Political Instability (lagged) *(inst3l1)*	0.329
	(0.203)
GDP * Instability	-0.017
	(0.071)
GDP Growth (lagged) *(grol1)*	0.184
	(0.573)
Anocracy (lagged) *(anoc2l1)*	0.226^{*}
	(0.128)
Oil exporter (lagged) *(oil2l1)*	0.100
	(0.119)
Ethnic fractionalization (lagged) *(ef1)*	0.288
	(0.209)
Log population (lagged) *(lpopnsl1)*	0.076^{**}
	(0.031)
Mountainous terrain (lagged) *(mtnl1)*	0.002
	(0.003)
% Muslim (lagged) *(muslim)*	0.002
	(0.001)
Peace years (lagged) *(ptwns)*	-0.004
	(0.006)
Constant	-3.374^{***}
	(0.565)
Observations	3,622
Note:	*p<0.1; **p<0.05; ***p<0.01

V. Discussion

0.6 Interpretations

An immediate reading of our findings not only contradicts our primary hypothesis but also the theoretical framework presented. I will present a few reasons why this is the case. First, external causes can help possibly explain why this is the case, most notably that the two variables may not have as strong a relationship as we may assume. Additionally, coding

issues surrounding the nature of the instability variable may also have contributed to this. After presenting these cases, I will provide recommendations for how scholars in the future can adjust their approach to political instability to be more reflective of its effects, and in turn, see a different result to our interactive effect.

0.7 External Causes

A theoretical explanation might help explain this unexpected outcome. In this case, we need to engage with quantitative reasoning. When I say 'external causes,' I mean the lack of an actual association between the two variables. Conceptually, there are cases where political instability does not have any effect on GDP or growth. This could be understood as a case of free market capitalism in which the primary drivers of economic growth are not in the hands of the government but rather private interest groups. As such, even when the government suffer a stability crisis, GDP can remain high and growing. The example of France demonstrates this well. Since 2020, France has had seven Prime Ministers, with none exceeding two years in office. Short governments and frequent elections mean that political instability remains high, though this is not reflected in the GDP growth, which has dramatically risen from $49,481 USD in 2020 to $61,321 in 2024.[31] In as such, private equity operates separately from government action, meaning that even in times of political turmoil, the GDP still rises.

In other cases, we can also think of GDP rising because of political instability. The case of New Deal America comes to mind here. The first and second Roosevelt administrations continuously challenged the Supreme Court[32] and made rapid changes to Congress, yet New Deal policies resulted in the growth of GDP throughout the mid 30s.[33] The political

[31] (World Bank [France's GDP per Capita (PPP)], 2024, `https://worldscorecard.com/scorecards/french-scorecard/gdp-per-capita-ppp/`)

[32] In 1937, FDR came up with a plan to pack the Supreme Court with a number of New Deal-friendly judges. This was likely done in response to SCOTUS' strikedown of a number of ambitious New Deal projects throughout the 1930s.

[33] (U.S. Bureau of Economic Analysis [Gross Domestic Product per Capita [A939RC0A052NBEA]], Nov. 24, 2025, `https://fred.stlouisfed.org/series/A939RC0A052NBEA`)

instability which was bred from the New Deal challenged the Constitution, Congress, and the broader American political system, yet the results that came from these challenges are ultimately what helped pull the United States out of the Great Depression, therefore seeing a rise in GDP caused by radical, anti-status quo politics.

0.8 Internal Causes

Internal coding also may have played a role in the outcome of our tests. This largely has to do with how political instability is coded into Sambanis' model. GDP per Capita is a calculation that hardly varies in interpretation. Furthermore, the only primary interpretation of GDP relates to the debate alluded to earlier. Sambanis says he uses Fearon and Laitin (2003) for this variable, meaning that he follows the state capacity interpretation of the variable. This does not, however, directly determine the outcome of our interaction; rather, this primarily focuses on what variables are tested. Political instability, however, is a more abstract variable which is measured in several ways. In fact, there are a number of forums and indexes which measure political instability differently. The data which Sambanis uses to measure political instability comes from the Polity 2 series, the 2002 edition of the Polity IV data project. He uses this to measure both political instability as well as anocracy, although the latter variable is hardly of importance in this case. The combined polity score reflects the "extent to which open, multiparty, and competitive elections choose a chief executive who faces comprehensive institutional constraints, and political participation is competitive." The definition presented indicates that the primary measurement is a state's capacity for liberal democracy. Sambanis uses the following coding rule to determine whether or not a case is coded as a civil war or not:[34]

[34]The scale begins at -10, which indicates a consolidated autocratic regime, whereas the highest rating at 10 means a state is an open and free liberal democracy.

$$Case_t = \begin{cases} 1, & \text{if } \Delta x_t \geq 2, \\ 0, & \text{if } \Delta x_t < 2. \end{cases}$$

In essence, he measures political instability as a jump of 2 in the polity scale.[35] Using the definition of the dataset, jumps in the polity score may occur is severe political and regime shifts, such as (i) democratic backsliding, or (ii) institutional fragmentation occurs. However, using the polity score as a measurement might fare poorly when taking into account that his measurement can go both ways. Therefore, the coded definition of political instability may also result in cases where a state transitions closer towards democracy. This could help explain the findings via the democratic-modernization theory, which ties a link between high GDP countries and their link to democratic transitions.[36] The methodology used in this dataset means we are likely to encounter a scenario in which GDP rises alongside political instability, adding several cases to the data which would water down cases of GDP and stability collapse. Therefore, the coding of political instability challenges the theoretical framework provided earlier to justify **H1**.

The reliance on the polity dataset may also cause an intrinsic problem on the account that the repository does not yield reliable information. As established earlier, the project measures liberal democracy and institutional strength, though the numbers provided for 2018 data are out of line with other data centres which are generally more in line with each other. In the measurement of liberal democracy, I have brought in three other data projects — Freedom House *(FH)*, the Economic Intelligence Unit *(EIU)*, and V-Dem's Liberal

[35] (Nicholas Sambanis, *Supplement for "What Is Civil War."*, Journal of Conflict Resolution, July 5, 2004)

[36] (Ronald Inglehart and Christian Welzel, "Changing Mass Priorities: The Link between Modernization and Democracy", *Perspectives on Politics* 8, no. 2 [June 2010]: 551–567, ISSN: 1537-5927, 1541-0986, visited on 11/24/2025, https://doi.org/10.1017/S1537592710001258, https://www.cambridge.org/core/product/identifier/S1537592710001258/type/journal_article) (Ronald Inglehart and Christian Welzel, "Social Forces, Collective Action, and International Events", in *Modernization, Cultural Change, and Democracy: The Human Development Sequence*, 1st ed. [Cambridge University Press, Jan. 1, 2001], 21, ISBN: 978-0-521-84695-0 978-0-521-60971-5 978-0-511-79088-1, visited on 11/24/2025, https://doi.org/10.1017/CBO9780511790881, https://www.cambridge.org/core/product/identifier/9780511790881/type/book)

Democracy Index *(LDI)*. To compare instructional power, I also brought in the fragile state index *(FSI)*.[37] I have selected four cases for a comparative study, the first three being used to determine the degree of liberal democracy in states, and one to determine the strength of state institutions. The United States is brought in due to its strong institutions but persistent democratic backsliding, especially under the first Trump Administration. Second, Hungary is included as a case of a state which has undergone dramatic democratic backsliding since Orban's second phase in power. Russia is the third case as a product of its existing political institutions but a lack of practical democracy. Finally, Somalia is brought in as an example of a collapsed state.

As seen in **Table 4**, the scores and classifications pertaining to all nations remain more or less similar between the three comparative datasets. However, see a vastly different value

Table 4: Comparative Democracy Scores

Democracy Scores				
	United States	Russia	Hungary	Somalia
Freedom House	83	20	69	8
FH Status	Free	Not Free	Partly Free	Not Free
Liberal Democracy Index *(V-Dem)*	0.84	0.06	0.32	0.105
Economist Intellegence Unit	7.96	2.94	6.63	–
Fragile State Index	37.7	77.2	50.2	113.2
Polity-V	**8**	**4**	**10**	**5**
Polity-V Classification	**Liberal Democracy**	**Electoral Autocracy**	**Electoral Autocracy**	**Closed Autocracy**

Note All data is based from the year 2018. Polity-V does not provide data for any countries past this date with the exception of the United States.

from the polity project.[38] The discrepancies in Polity-V in comparison to other datasets suggest that the forum may not be the most reliable for yielding accurate results. As such, using the Polity project in this dataset as the measurement for political instability has the joint effect of obtaining inaccurate results, while also giving examples of political instability

[37]Information and data for all of these repositories can be found at (Freedom HouseFreedom in the World 2013-2025 Raw DataCCCCCC, "Freedom in the World 2013-2025 Raw Data", Freedom House, 2025, Data Repository, `https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Ffreedomhouse.org%2Fsites%2Fdefault%2Ffiles%2F2025-02%2FAll_data_FIW_2013-2024.xlsx&wdOrigin=BROWSELINK`) (Fragile State IndexFragile State Index 2024CCCCCC, "Fragile State Index 2024", Fragile State Index - The Fund for Peace, 2024, Data Repository, `https://fragilestatesindex.org/global-data/`) (Economic Intelligence UnitDemocracy Index, 2024CCCCCC, "Democracy Index, 2024", Our World in Data, 2024, Data Repository, `https://ourworldindata.org/grapher/democracy-index-eiu#research-and-writing`) (V-DemDatasetsCCCCCC, "Datasets", V-Dem: Varieties of Democracy, 2025, Data Repository, `https://v-dem.net/data/`)

[38]Taking Hungary as an example, the nation is awarded with scores of 3.26 (EIU), 3.8 (FH), and -3.6 (LDI), while yielding a vastly different 10 from Polity-V.

which result in an increase in the GDP per Capita.

0.9 Recommendations

As was argued throughout this section, the measurements for political instability are not effectively optimized due to the reliance on polity-V. Additionally, the earlier cases of the New Deal and the constant changes in French governments do have limitations, as they capture specific political events.[39] There are, however, multiple other measurements for political instability. To effectively measure this, and perhaps get a more accurate understanding of the relationship and an interactive effect it may share, we could incorporate other variables into future coding for political instability. V-Dem's LDI and the FSI both independently measure the state of liberal democracy as well as the strength of state institutions. However, other repositories may also be of use. A measurement of transparency may also be helpful. Rapid shifts in a government's transparency can help determine the consolidation of individual actors over the political apparatus. This in turn can reflect secret cabinet shuffles, the erosion of bureaucracies, and anything else related to state transparency which may have an impact on the stability of the state.[40]

The incorporation of other big datasets may also be helpful to narrow down political instability. The Cross-National Time-Series (CNTS) is a databank which measures hundreds of coverage files over hundreds of countries, measuring variables which extend beyond transitional government types and more towards sociological and policy effectiveness.[41] The combination of social and political variables also helps us get closer to actual, practical instability. Rather than relying on a singular dataset such as Polity-V, we can use multiple datasets which cover several more indicative variables to see if instability is actually occur-

[39] In the case of FDR, it would be SCOTUS challenges; France is more based on frequent elections, cabinet shuffles, and resignations.

[40] transperency.org is a good, open source website for this.

[41] The CNTS looks at political issues including voter turnout, legislative effectiveness, executive constrains, alongside others. It also looks at social compliance and effectiveness, such as school enrolment, literacy, the strength of a mailing service, and the state of infrastructure. Information on all the variables can be found at https://www.cntsdata.com/coverage.

ring. For example, instability may not be relevant to GDP as long as businesses are capable of functioning through state services such as public transportation or mailing. If scholars code in these factors, we may be more prone to seeing a closer connection between political instability and GDP decline. In essence, an interactive effect was not present in our test because of the fact that it measured to determine the transition from one government form to the next (autocracy -> democracy, vice versa), but leaves out the measurement of critical state functions that allow GDP to continue rising. Incorporating a state's public services as an element of political instability, can help eliminate this. If the state is unable to deliver on necessary services that help private equity keep afloat — such as a lack of public transportation making it harder for workers to get places or an insufficient mailing service failing to deliver packages — we might be more likely to see an interactive effect and now the lowering of GDP is more reflective of the decline in political instability, and the other way around.

VI. Conclusion

This paper has sought to understand the relationship that robust variables relating to civil war have with each other. More specifically, it sought to see if there was an interaction effect between political instability and GDP per capita on the onset of civil wars. The paper added to an extensive discussion around the meaning of these variables, starting with a breakdown of the scholarly interpretation of the two variables. In the case of GDP, we find two emerging camps, one of foregone earnings and the other of state capacity. Despite the rich literature, there is a lack of research done on this paper's research question. The nature of this research necessitated a qualitative analysis, which in turn led me to adopt and replicate Sambanis's 2004 model, which contains 3,622 observations and a flurry of control variables. Three tests were run: the first ran GDP per capita and political instability on their own; the second added the interactive effect; the third incorporated the control variables. While the first tests modelled findings of Sambanis, the interactive effects did not yield robust results,

leading to a rejection of our primary hypotheses and an extensive discussion as to why this was the case. I claim that a series of interpretive approaches to political instability is what led to this outcome. I then presented a number of ways to improve approaches to political instability. More specifically, in adding political and sociological factors into the running of the state, we can get a much clearer understanding of what political instability may look like.[42]

[42]Professor, thank you for a phenomenal term! It was truly a privilege and an honour to have taken this class. Have a great rest of the year and best of luck in the future! We should also remain in touch!