I Introduction

The treatment of the role of economic policies in the context of complex power-sharing systems is one of a number of ‘horizontal’ issues, the others include education; policing, security, and military; administration of justice; human and minority rights; and external relations and trans-border cooperation. In this set of issues, the role of economic policies (and, perhaps, education) can usefully be differentiated from the roles of the others in some important ways. At the most basic level, disputes concerning policing, the administration of justice, the treatment of human and minority rights, and the modalities of external relations are often at the very centre of the initiation, conduct, and resolution of self-determination disputes. However, economic policies and education tend not to feature near the top of any list of the fundamental underlying causes of self-determination conflicts, or on the ‘traditional’ list of issues that need to be addressed when trying to resolve such conflicts.

It would be naive, of course, to claim that economic and educational inequities and inequalities play absolutely no role in self-determination disputes or in their resolution. A more reasonable position would be to acknowledge that, where they do play such a role, it is more usually as a manifestation of the consequences of other reprehensible actions, involving a more widespread discrimination against specific ethnic or regional sub-groups, rather than as a primary cause. The denial of opportunity, the denial of resources, the ‘unfair’ use/extraction of resources, etc., are usually part of self-determination claims. But, as McGarry and O’Leary have asserted in connection with the conflict in Northern Ireland:

The Northern Ireland conflict has been waged paramilitarily and politically between two communities with different national identities, not between two aggregates of individuals mainly interested in promoting their economic well-being. Economic factors have impinged upon the conflict, but they do not determine it. (1995a: 306).
Another way in which economic policies matter, in a secondary rather than in a primary role, reflects the fact that, until the early 1990s, five of the eight case study regions were integrated into the former Communist bloc. Three regions – Kosovo, Macedonia, and Bosnia – were part of the former Yugoslav Federation and its Serb-dominated precursor since shortly after the First World War. The Yugoslav Federation then became part of the Communist bloc, albeit a semi-detached member, after the Second World War, and remained so until its breakup during the early 1990s. Two of the remaining five case study regions – Georgia and Moldova – were constituent Republics of the USSR and remained so until the breakup of the USSR and the formation of the looser Confederation of Independent States (CIS) in 1992. All five of the these regions – to a greater or lesser extent – had centrally planned economies, or at least economies that did not possess many of the institutions that are considered necessary for a functioning market economy.¹

But disputes over the transition from Communist central planning to capitalist market institutions could hardly have been at the core of the self-determination conflicts in any of these five ex-communist regions. The obvious difficulties involved in making the transition to a market economy may have exacerbated an already long list of political, ethnic, and socio-economic problems facing each of these regions, but many other centrally planned economies have successfully made this transition without descending into interethnic conflict. Nevertheless, there are some compelling arguments that suggest reasons why some formerly communist countries became more prone to internal conflict, and suffered from official corruption and organized crime, when they liberalized their politics and their economies (Olson 2000: xxv).

If the transition from an economic policy regime of central planning to one of market-based institutions tends not to act as a primary driver of conflict, could it be that stresses due to particular conditions of poverty may have generated, or at least exacerbated, conflict in the case study regions? Seven of the eight regions rank as poor, and in the case of Mindanao and Bougainville, are among the very poorest in the world (World Bank 2003). But the standard of living in one case study region – Northern Ireland – is very high, in that it broadly shares the living standards of the United Kingdom, of which it is a region, and which itself ranks among the group of very rich countries. Thus, prosperity is not a complete insulation against internal self-determination conflicts. Nevertheless, other things being equal, the fact that a country has a reasonably high standard of living appears likely to guide internal disputes away from violent conflict towards peaceful solutions. If a country has a very low standard of living – a situation that is often accompanied by very wide inequalities of regional income levels – this may

¹ Georgia and Moldova were part of the Soviet system of central planning, where both production and prices were determined by the central planners. The former Yugoslavia – while formally part of the Communist bloc - was not centrally planned, but had an economy characterized by state ownership, labour-managed firms and controlled prices.