Cities, Politics and Conflict: The Disruptive City

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Rapid Urbanization in LMICs



Data source: Multiple sources compiled by World Bank (2024) OurWorldinData.org/urbanization | CC BY Note: Because the estimates of city and metropolitan areas are based on national definitions of what constitutes a city or metropolitan area, cross-county comparisons should be made with caution.

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Urban Politics

- Local Governance: Public Service Delivery
- Local Governance: Taxation
- 2 Urbanization and Conflict
 - Rural-Urban migration
 - Social Cohesion in Cities

Targeting of public goods and services:

- "Political Machines" (US 19/20th century); ethnic politics; informality and vote-buying
- Protests and public mobilization (Cantoni et al 2019; Burzstyn et al 2021)
 - evidence that cities can facilitate collective action and the effectiveness of civil movements but less evidence cities increase demand for democracy and that they lead to higher civic capital (Glaeser and Steinberg 2016)

Developing Municipal Tax Systems (eg property tax):

- Political Agents
 - local chiefs for enforcement (Balan et al 2022)
 - political rotation to disseminate industry-specific knowledge (Lin et al 2024)
 - number of politicians per jurisdiction (Dutta et al 2022) introduces more checks and balances, less regulation and more firm entry and economic growth
- As municipalities become more financially independent, are there spillovers to other municipalities and how does this affect the balance of power with central governments



Source: City fatalities as share of total, 1989-2017 (UCDP best est.)

Cities can help diffuse conflict

- Tribe or Nation? (Miguel 2004), urban dwellers more likely to embrace a national identity
- Rural-urban migration/displacement (>50% of displaced are in cities)
 - Relief valve (Bosetti et al 2018)
 - Movement to opportunity: higher human capital and occupational shifts (Chiovelli et al 2024)

National vs Ethnic Identity



Sample: Afrobarometer, Wave 9, 2022-2023

Conflict, Displacement and Human Capital

Chiovelli, Michalopoulos, Papaioannou, Sequeira (2024)

Conflict induced Rural-Urban Displacement

- Disruption Costs: lowers educational investments
- Uprootedness [Brenner and Kiefer (1981), Stigler and Becker (1977), Reuben Kessel]
- Place-based effects (cities) [Chetty and Hendren (2018a,b), Alesina et al. (2021); in peaceful times]

Mozambique and the Civil War (1977-1992)

Historical Overview

Mozambique

- Independence from Portugal in 1975 after a decade long independence war
- Pre-war employment in agriculture 90%, share of rural households 85%, 0.5 average years of schooling

Characteristics of the Civil War

conflict primarily in rural areas

Data Overview. Census 1997

Displacement [Birth-place, residence in 1992, residence in 1997]

Displacement Matrix

11.9 million individuals

- Residence at Birth [District level (230)]
- Residence at the end of the War 1992 [District level]
- Residence in 1995 [District level]
- Residence in 1997 [Locality level (1,163)]



Sample: 12-32 yo in 1997

	Obs	Prop
Internally Displaced to Urban Areas	694,541	0.58
Maputo/Matola	255,259	0.37
Beira	80,956	0.12
Nampula	51,266	0.07
Main Towns (10)	180,881	0.26
Smaller Towns and Large Villages (76)	126,179	0.18
Internally Displaced to Rural Areas	496,719	0.42

Educational Attainment and Occupation

Rural Born (left panel), Urban Born (right panel)



Controls: gender, age, district of birth FE, se double clustered at district of birth and residence in 1997

Occupational shift more likely for those acquiring more years of schooling

Movers Design

1 Bound Age at Move:

- hh relocated together
- birth year of oldest displaced individual born in destination is the latest they could have moved.
- earliest relocation is the birth year of the youngest member born in the origin district. Take midpoint

2 Sample restrictions:

- max window 5 yrs
- relocated between 1 and 18 years old

Sample: 289,642 (full sample) and 129,954 for the top 50% districts with the highest conflict.

Identification: the age at which a child moves due to conflict is uncorrelated with unobserved individual and family characteristics affecting educational investments.

$$\mathsf{School}_{ibmod} = \alpha_{ob} + \alpha_m + \sum_{m=1}^{18} \gamma_m \mathcal{I}\{m_i = m\} \Delta_{odb} +$$

$$\sum_{b=b_0}^{B} \kappa_b \mathcal{I}\{b_i = b\} \Delta_{odb} + \varepsilon_{ibmod}$$

- Δ_{odb} diff educ non-moving children, cohort b in d and origin o
- slope γ_m , for each age at move (years 1 to 18)
- \blacksquare age of move dummies, α_m
- $\blacksquare \ \alpha_{ob}$ origin-district times birth-year fixed effects

Exposure Effects: Age at Move



17 / 35

- Typical family in 1980 had 6 children
- Identify separated families with people in 1997 who were living in a different place during the war
- Consider only those aged 12 to 32 in 1997, who moved between ages [1-18], 112,441 individuals and 3,160 hh

Within-Family Pair Comparison. Rural-Born

Linear Probability Model Estimates. Within Family Sample



Rural Born Schooling N: 36,374; Agriculture N: 10,861 District of birth FE (i,j), Age FE (i,j), HH FE, Age Diff FE

Within-Family Pair Comparison. Urban-Born

Linear Probability Model Estimates. Within-Family Sample



Urban Born Schooling N: 12,911; Agriculture N: 1,637 District of birth FE (i,j), Age FE (i,j), HH FE, Age Diff FE

Within Household Specification

Place-Based vs Displacement Effects



- Δ^{hk}_{odij}: differences in cohort-specific Human Capital between origin (o) and destination (d) district; place effect (π)
- DISPLij: "pure" displacement effect, uprootedness (γ)
- Instrument actual differences with predicted differences with destinations weighted by inverse distance

Place-Based vs Displacement Effects on Schooling



- Are the educational gains of internal displacement (in cities), lasting?
- 2 How do IDPs into cities fare compared to urban-born, never displaced?
- **3** Are there any long-term socioeconomic and psychological costs of forced displacement?

Survey Features

Sample

- 264 residents of Nampula (older than 35 in 2020), 3rd largest city (biggest in the North), doubled its population during the war
- Stratified by place of birth. 102 IDPs; 162 Nampula-born
- Asked IDPs also about the education of siblings who stayed in the countryside

General Patterns

- average years of schooling similar to census (3 years)
- perceptions of education: 56% of movers felt some education (primary) was critical to find a job in the city during the war (against 42% of non-movers)

Long-Term Sibling Analysis, Education

Compare Movers to their Siblings Who Stayed in the Countryside

	Schooling (Dummy)				
	(1)	(2)	(3)	(4)	
Displaced	0.142***	0.137**	0.130**	0.104*	
	[0.047]	[0.055]	[0.056]	[0.061]	
Observations	441	365	438	361	
Non-Mover Mean	0.290	0.281	0.286	0.279	
Controls	No	No	Yes	Yes	
Family Fixed Effects	No	Yes	No	Yes	
R-squared	0.021	0.494	0.050	0.510	

Economic Differences: IDPs vs Urban-Born Non-Movers

Education, Paid Employment, and Wages

No differences in education

	Primary Schooling		Paid Work		Ln Monthly Wages	
	(1)	(2)	(3)	(4)	(5)	(6)
Displaced	0.032	0.014	-0.009	-0.013	-1.064**	-1.019**
	[0.071]	[0.073]	[0.069]	[0.069]	[0.492]	[0.495]
Observations	208	208	208	208	89	89
Non-Mover Nampula-born Mean	0.397	0.397	0.412	0.412	8.357	8.357
Controls	No	Yes	Yes	Yes	Yes	Yes
Schooling Control	-	-	No	Yes	No	Yes
R-squared	0.001	0.017	0.119	0.174	0.083	0.099

Social/Civic Capital Differences: IDPs vs Non-Movers

Community Trust, Social Capital, Political Participation, and Civic Attitudes

	Social/Civic Capital				
	Trust	Social Capital	Political Partici- pation	Civic Attitudes	
	(1)	(2)	(3)	(4)	
Displaced	-0.469**	-0.223	-0.261*	-0.441**	
	[0.224]	[0.198]	[0.151]	[0.177]	
Observations	208	207	208	208	
Non-Mover Nampula-born Mean	0.288	0.083	0.080	0.258	
Individual Controls	Yes	Yes	Yes	Yes	
R-squared	0.049	0.082	0.028	0.141	

- Social Capital Index: Willingness to give to good causes without return; Unpaid work for community in last 12 months; Importance of solving community problems; Agree or disagree exchange favours with neighbors
- Civic Attitudes: Justified in wrongly claiming benefits; justified in avoiding tax; justified bribes
- The Trust Index: Comfortable with neighbor looking after keys; Comfortable with neighbor looking after children; Agree that respondent belongs to neighborhood; Trust people in neighborhood.
- Political Participation Importance of voting; Whether or not to discuss political matters.

Psychological Differences: IDPs vs Non-Movers

Loneliness, Group Belonging, and Mental Health

	Mental Health and Optimism				
	Loneliness	Mental Health			
	(1)	(2)	(3)	(4)	
Displaced	-0.075	-0.114	-0.222***	-0.326***	
	[0.081]	[0.106]	[0.071]	[0.102]	
Observations	208	208	208	208	
Non-Mover Nampula-born Mean	0.051	-0.006	0.573	-0.085	
Individual Controls	Yes	Yes	Yes	Yes	
R-squared	0.072	0.055	0.085	0.134	

- Loneliness Index: Lack of companionship; Feel there is no one to turn to; Feel alone; Don't feel close to anyone; Don't share interests with people; Feel isolated.
- Group Belonging Index: Feel in tune with people; Feel belongs to group of friends; Feel have things in common with people; Feel outgoing; Feel can talk to people; Feel there's people you can turn to.
- Optimist Index: Likelihood that their children would be richer than you at your age.
- Mental Health Index Whether in the last two weeks, they have little interest in doing things; Feel depressed; Trouble sleeping; Felt tired; Too little or too much appetite; Felt like a failure/disappointed; Had difficulty concentrating; Speaking/moving too slowly or too fast; Felt nervous; Could not stop worrying; Worried too much; Had trouble relaxing; Felt restless; Were easily annoyed; felt afraid.

- higher investments in human capital
- occupational shifts (structural transformation)
- social costs: lower levels of mental health, lower trust and lower civic capital

- General Equilibrium Effects? Other city dwellers
- What lies behind the wage penalty for IDPs in the city?
- Can long-term trauma from conflict and displacement be reversed?

Policy Challenge: focus on integration policies in cities for displaced

Cities can also exacerbate conflict and social tensions

- Cities as hotbeds of political revolutions, rapid expansion of social media
- Social tension due to ethnic fractionalization, less trust, less social capital, competition for resources and zero-sum mentalities

Social/Civic Capital

Afrobarometer, Wave 9, 2022-2023

Correlation of urban/rural and social values



Zero-Sum Thinking Chinoy, Nunn, Sequeira and Stantcheva (2024)

Zero-sum thinking: belief that the gains of one group come at the expense of another group



Zero-Sum Thinking by Country Income Level

Urban dwellers tend to be more zero-sum (competition for resources)

- Exciting area of research
- Several open questions for LMICs:
 - nature, dynamics and implications of urban politics for provision of public services and urban development
 - direct and indirect impact of conflict
 - culture and identity can shape urban development

Social Cohesion in Urban Areas

Afrobarometer

	Sample: 34 African Countries						
	Trust Neigh.	Trust PC	Social Capital	Free Vote	Tax Evas.	Bribes	
	(1)	(2)	(3)	(4)	(5)	(6)	
Urban	-0.132***	-0.241***	-0.354***	0.004	-0.003	0.009	
	(0.016)	(0.027)	(0.022)	(0.006)	(0.004)	(0.042)	
Mean Omitted	1.33	239	265	.748	.175	0194	
Omitted Category	Urban	Urban	Urban	Urban	Urban	Urban	
Observations	77.817	50.509	77.199	76.638	97.069	74.659	
R-squared	.116	.164	.168	.121	.0309	.0508	