

Ranis, Gustav. "Diversity of Communities and Economic Development: An Overview"

(Abstract)

This paper takes an overview of the current literature to assess the impact of ethnic diversity on economic stability in Africa as well as hypothesize the root causes of instability in light of Africa's unique and diverse ethnic environment. These hypotheses are an attempt to guide future research in the context of this topic.

As important factors for discussion, the paper sites the importance of ethno-linguistic fractionalization (ELF) and ethnic polarization as variables in assessing the importance of ethnic diversity. The paper categorizes African countries into three types based on geography for ease of use: 1) countries rich in natural resources, 2) countries with ocean access, and 3) landlocked nations. The varied situations of these three types influence both internal and external causes that contribute to their political and economic instability.

The causes of instability in Africa touched upon include: unequal distribution of income or wealth, terms of trade fluctuations, food insecurities, poorly-managed monetary policies with sudden changes, policies favoring commercialized areas only, frequent political turnover and regime change, oscillation between market-oriented and control-oriented policies, disproportionate clan sizes (in polarized societies,) land ownership systems, and such globalization-related reasons as changing foreign aid and NGO priorities.