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INTEGRATING CONFLICT PREVENTION IN DEVELOPMENT POLICY AND AID AGENDAS

Policy Messages from the Wilton Park Conference:
Conflict Prevention and Development Cooperation in
Africa, a Policy Workshop (November 8-11, 2007)

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Sakiko Fukuda-Parr   **Robert Picciotto**

The New School, New York   **Kings College, London**

PREFACE

Masafumi Kuroki

Vice President, Japan International Cooperation Agency (JICA), Tokyo

The primary objective of the Wilton Park Conference was to discuss the link between development aid and conflict prevention. Specifically, participants examined the forms of government and structural factors leading to war and the pros and cons of development assistance in trying to avoid such a catastrophe.

Mrs. Sadako Ogata, the President of Japan International Cooperation Agency (JICA), said that development officials should pay closer attention to the political dimensions of their work and emphasized three main issues: 1)the importance in the conflict prevention of 'human security', meaning both the protection and promotion of the rights of individuals and local communities; 2) the need for development agencies to quickly identify looming threats, respond to socio-political changes in developing countries and 3) a recognition that comprehensive measures be included in any peace-building operation to reduce the risk of new and future turmoil.

The conference allowed participants to explore these issues from various angles, deepen their own knowledge and, most importantly, achieve a shared awareness despite sometimes differing viewpoints.

However, much more needs to be accomplished. Discussion on conflict prevention measures, particularly the role of development assistance, needs further examination and aid agencies must be responsive to changing socio-political patterns in partner countries and provide them with the kind of assistance needed to reduce the potential for conflict.

While pursuing these goals on a practical level, JICA is also committed to promoting further far-reaching academic studies on these issues following the conclusion of the Wilton Park Conference

Finally, JICA would like to express its deep gratitude to Professor Sakiko Fukuda-Parr from the New School, New York and Professor Robert Picciotto from King's College, London, for planning and leading the conference. We hope that this accompanying booklet will provide continuing insights and guidance on conflicts, conflict prevention and the role of development assistance in this arena.

PREFACE

Gilbert Houngbo

Assistant Secretary-General, United Nations

Assistant Administrator, United Nations Development Programme (UNDP)

Director, UNDP Regional Bureau for Africa, New York

An estimated 40% of the world's conflicts happen in Africa. The causes of these conflicts, and efforts towards promoting durable peace and sustainable development in Africa, reflect the diversity and complexity of this vast and varied continent. Nonetheless it must be emphasized that the prevention of conflict begins and ends with the promotion of human security and human development. This requires the involvement of all stakeholders over a protracted period and, in most cases, needs to be supported by large flows of finance as well as timely policy actions. While it is not always easy to show tangible results for the high levels of financing required the opportunity cost is very high if conflict is not averted – and consequences are visible and disastrous. As a rule, rebuilding social capital, creating conditions for social cohesion and nation building measures are critical for conflict prevention.

With regard to development cooperation the need for a high degree of policy innovation, simplicity and flexibility is increasingly recognized. In particular, policy conditionalities should be limited and flexible. There is a strong case for *Developmental Conflict Prevention* (as manifested by interventions in the Great Lakes Region) whereby interventions within peacekeeping and securing peace agreements are broadened to include measures that address the root causes of conflict, along with confidence-building measures and inclusive socio-economic arrangements.

UNDP's focus in conflict prevention is on <u>capacity building</u> – an area where development partners have not been as flexible as circumstances require at various stages, ranging from preventive measures and relief in humanitarian/emergency situations to recovery, reconstruction and sustainable development. There is a need to develop the capacity to scale up quickly in post-conflict situations so as to be in a position to help build the new state and manage the transition from relief to development. From the very outset international assistance should be provided with a

view to building capacities of national actors for informed, consensual, participatory and socially cohesive, accountable decision making across the full range of issues. Increasingly, the design of international support should focus on strengthening capacities of national actors in areas such as national constituting processes; building an infrastructure for peace at the national and local levels; enhancing capacities for economic management and inclusive development; and the delivery of basic services. As such the alignment of external assistance to national development strategies is critical.

TABLE OF CONTENTS **Page**

INTRODUCTION

Both development and violent conflict involve social transformations that generate winners as well as losers. While the interaction is complex, development requires a modicum of stability while violent conflict is very costly to the economy and the society. Few would disagree that prevention of violent conflict is better than dealing with its consequences but there is little agreement on the most effective preventive methods.

External engagement with societies in conflict is especially problematic and the international community has yet to master the unintended consequences of its interventions. By and large, the international community gives privileged attention to military and political intervention. These are usually mobilized in crisis situations when urgent action is justified by the 'responsibility to protect' in countries where governments are unwilling or unable to restrain massive human violations.

This report calls for timely attention to the underlying economic, social and institutional factors that drive political violence, followed by early preventive measures. It highlights the major policy conclusions that emerged from the deliberations of a Wilton Park workshop on conflict prevention and development cooperation in Africa.

The workshop sought to integrate conflict prevention within the priorities of development cooperation directed towards the 'fragile states' of Africa. It tapped recent knowledge secured from national and international experience and from policy research on the relationship between poverty and violent conflict. It also drew on background documents, case studies of five countries and 20 oral presentations (see Annexes).

The workshop was jointly sponsored by the Japan International Cooperation Agency (JICA) and the United Nations Development Programme (UNDP). It was attended by policy makers and researchers from national governments, bilateral and multilateral donor agencies, NGOs and academia.

This is not an official record of the workshop. It does not provide a comprehensive account of its deliberations. Nor does it aim at crystallizing a consensus position of the participants and sponsors. The authors take sole responsibility for reporting on what they consider to be the most significant issues among the multitude of topics addressed by the workshop, with special emphasis on those that challenge widely held assumptions and point to new directions for policy and research with a view to making international cooperation work for enhanced human security.[1]

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[1] In respecting the 'Chatham House Rules' followed at Wilton Park conferences, this report does not attribute ideas to individuals. However, the report indicates written contributions that were made available to the conference and are available on the conference website that were sources, ideas and facts included. These are indicated in parentheses with the name of the author.

KEYNOTE ADDRESS BY SADAKO OGATA

Development Cooperation and Human Security
Wilton Park, 8 November, 2007

It is my great honor to participate in the Wilton Park Conference on "Conflict Prevention and Development" in cooperation with the United Nations Development Programme, and in the presence of a wide range of researchers and policy makers. The ultimate objective of the conference is indeed a daunting one, to explore new approaches to conflict prevention. Since the l990s, development cooperation has sought ways not only to ameliorate poverty, but also to contribute to economic management and state governance. The development community has definitely become more fully involved in post-conflict recovery and peace building operations. However, as yet it has not successfully identified its role, nor adjusted its policy with regard to conflict prevention.

In fact, there is growing recognition among United Nations and government circles of the vital importance of addressing conflict prevention. The support for preventive action grew in the aftermath of the disastrous consequences of the experiences of the 1990s, particularly the genocide in Rwanda and massacre in Srebrenica. However, looking back on the major conflicts of our times, we note that we have tended to overlook the preceding periods of economic, social and political downturns which led to large-scale and devastating conflicts. Interventions came, generally, too late and too little by military action, political negotiation or humanitarian protection and assistance.

Development cooperation, on the other hand, has rarely dealt with emergency situations. By nature, development assistance addresses long-term problems of poverty, economy and social inequities. Its impact can be proven over a period of time, through rise in per capita growth, or extension of life expectancy or spread of literacy. The development community has tended to look at people as recipients of aid, and turned to the state for planning and management. Security questions have been regarded as matters of state. The 'fragility' of state has been identified as the clue to identifying and correcting governance and thereby the insecurity that threatens people's lives and well-being. Frequently, state fragility has been a pronounced feature in many poorer countries.

On the other hand, in the globalizing world of the new millennium, money, goods, people and information move quickly across borders and within states. The increasing openness in trade and investment contribute to remarkable economic growth across borders and within different segments within states. The globalizing world increases interdependence of states and peoples, but turns them more vulnerable to adverse developments elsewhere. Moreover, terrorist attacks in New York on September 11th, 2001, proved to the world that even the most powerful state could not protect the security of its people even within its own borders. States have been faced with the challenge of ensuring the defense of their territory and people against global networks of non-state actors.

It was against these backdrops of the changing world that the concept of security was broadened from state security to embrace 'human' security. Human security entered the stage of international policy debate. At the UN Millennium Summit, Secretary-General Kofi Annan advocated the building of a world embodying the ideals of 'freedom from fear' and 'freedom from want.' In the mind of the Secretary-General, the challenges of conflict prevention and development assistance were closely interlinked. Security and development were twin goals requiring comprehensive solutions. The Japanese government also noted the close affiliation of security assurance and development cooperation, and co-sponsored the launching of the Commission on Human Security.

I had the honor and challenge to co-chair the Commission together with Professor Amartya Sen, the Nobel economist from India. The Commission identified 'people' at the center in formulating policies and building institutions. People were to be protected in violent conflicts and from the proliferation of arms. People were to be saved from chronic insecurity caused by illness and poverty. The way to save and protect people would be through their empowerment. A host of empowerment agendas was laid out ranging from education of girls and women, universal access to basic health care or empowerment of workers in order to access the market. Social safety measures were essential to save them from serious and sudden downturns in socio-economic and political conditions. At the heart of the Commission's philosophy was the belief that people should be freed from 'fear' and 'want,' and should pursue the attainment of all realizable human aspirations. A clear linkage was made between security and development. State plays the complementary role of protecting and advancing human security together with empowering people in the mainstay.

Now reverting to the original purpose of the Wilton Park conference to examine the relevance of development cooperation to conflict prevention, we should first recognize the serious influence that the concept of human security had on programming development assistance. JICA, for example, has incorporated 'human security' in its basic principles, and has pursued the policy of focusing on community development across a wide range of sectors. As to the question of addressing the Commission's warning over serious and sudden downturns that lead to conflicts, the international community as a whole and specifically the development community have remained unprepared. For economic downturns of the kind that traumatized the people of Asia in 1997, the international financial institutions were in possession of some rescue mechanisms, even if not adequate. Financial assistance was extended to troubled countries combined with severe domestic adjustment measures. What became clear was the need to further accelerate the resort to social safety measures in order to help cover the 'human security' of affected populations.

When it comes to situations of serious downturns that threaten the security of people within states, there are no ready-made international security mechanisms that can trigger quick action. The existing security system is geared towards stopping aggression between states, and to controlling or limiting the spread of warfare. However, when conflicts turn rampant within states, and when the state authorities possess neither the will nor the capacity to protect their people, there are no international mechanisms or procedures to intervene. People are left to the protection and assistance of humanitarian agencies or hope for success resulting from *ad hoc* mediations or limited rescue operations, depending on the scale of the catastrophe.

It took the contributions from the Canadian-led International Commission on Intervention and State Sovereignty and the UN High Level Panel on Threats, Challenges and Change to broaden the 'human security' framework to address the need for action related more directly to conflict management and collective security. The issue of humanitarian intervention became hotly debated within the United Nations. Though some 'emerging norm' seems to be growing for 'a collective international responsibility to protect,' with Security Council authorization, military action with regard to internal conflicts has to be exercised with utmost care. Such intervention would inevitably be exercised 'amongst people' who hold diverse political allegiance and are frequently on different sides. The United Nations or coalitions of concerned states are currently facing several internal conflict situations in Africa – Sudan and the Democratic Republic of the Congo – and in other parts of the world such as Afghanistan and Iraq.

I think it is appropriate that the Wilton Park conference devotes its attention to conflict prevention in Africa as it will be on the continent of Africa that development cooperation will play a central role while facing major conflict challenges. For the large majority of the people in Africa, 'human insecurity' is a chronic condition that has to be ameliorated by a host of poverty reduction measures. The Millennium Development Goals provide concrete goals to which individual contributing countries can orient their assistance programs. However, if we were to adjust our individual assistance with conflict prevention in view, greater attention would have to be directed to grasping and addressing trends that show serious and sudden downturns.

During my ten-year tenure as UN High Commissioner for Refugees, there were a few cases of international action – peacekeeping operations dispatched to Somalia, Mozambique, Rwanda, Democratic Republic of the Congo, Sierra Leone in support of humanitarian operations or as part of international peace-building exercises. However, development cooperation would be suspended when violence turned rampant and conflicts broke out. When violence receded, and governments were restored, development assistance returned to the scene, as post-conflict peace building efforts came to be seen as a legitimate function of development assistance.

In many of the African states that suffered conflicts in recent decades, international efforts were directed mainly to peace building after the conflicts. Let me refer to the case of Rwanda, which stands as the outstanding example of the failures of the international community that eventually led to genocide. To cite a few salient points in Rwandan history, it should be recalled, that since colonial times the country was ruled by powerful chiefs, mostly Tutsis. Deprived of political power, the Hutus challenged the Tutsi-led domination and became increasingly supported by the Belgian administrators. Gaining social consciousness, the Church also turned sympathetic to the Hutus. Tension grew between the Tutsis and Hutus to an explosive point by 1959. Belgium agreed to let go of the League mandate and declared by acclamation the independence of Rwanda. In the legislative election that followed, the Hutu party won by a wide margin and political power moved away from the traditional Tutsis.

Because of growing tension and confrontation, a large number of Tutsis left Rwanda and went to neighboring countries. In order to understand the serious downturns that

took place in Rwanda at the time, I think the refugee factor merits special attention. Between 1959 and 1964 according to UNHCR estimates, 120,000 took refuge in neighboring countries, escaping the violent seizure by Hutu power. By the end of the 1980s, some 480,000, which comprised about half of the Tutsi population in Rwanda, had become refugees, primarily in Burundi (280,000), Uganda (80,000), Democratic Republic of the Congo (80,000) and Tanzania (30,000). Over the next 20 years, the refugees made repeated attempts to return to Rwanda by force, which resulted in provoking renewed violence and further refugee outflows.

The refugees from Rwanda faced difficulties in the neighboring countries of asylum. They were often excluded from the local labor market while they sought opportunities for education and work. Many moved beyond the Great Lakes area and even on to Western Europe and America. In spite of the geographical dispersion, the exiled Tutsis remained in touch with each other. They formed clubs and associations, and circulated publications. In August 1988, a world congress of Rwandan refugees was held in Washington DC, which passed a strong resolution on their 'right of return' but the Hutu government of Habyarimana remained intransigent.

In spite of the tensions and conflicts caused by changing power sharing arrangements, the Habyarimana regime succeeded somewhat in obtaining international confidence. Tutsis were politically marginalized and institutionally discriminated against. Though authoritarian, Habyarimana represented a democratically elected majority party government, reasonably stable and bringing in some economic progress. The Catholic Church came to admire the Hutus and to support their rule. Reliance on foreign aid grew rapidly in size. International assistance which had represented less than five percent of GNP in 1973 rose to 11 percent in 1986 and to 22 percent by 1991.

For the donors, until the end of the Cold War period, internal political conditions were mostly outside their realm of concern. The human rights record of the Habyarimana regime went largely unquestioned. Belgium remained the main donor, followed by France and Germany. France, intent on maintaining the French influence throughout the Great Lakes region, courted Rwanda with military assistance as well. Germany, as an early colonizer, maintained its interest in Rwanda. The main areas of assistance from the European donors were education, health and agriculture. For Switzerland, Rwanda ranked first among the recipients.

Japan, at the time under the 'doubling ODA policy,' was increasing assistance to a wide range of African countries. Rwanda was favorably assessed as a better managed country, attempting to overcome political confrontation. The close support of the Catholic Church was taken as a positive factor as compared to the situation in Burundi, which continued to face distrust from the Church. The Habyarimana government was considered friendly to Japan as proven by its consistently supportive voting record in various international elections. Much of Japanese assistance to Rwanda centered around Kigali. It covered water supply, communication infrastructure and technical education. The socio-political problems underlying the Rwandan government were not noted by Japanese government officials or aid specialists or by other donors.

In hindsight, it is clear how little those involved in development cooperation had the ability or inclination to read overall social and political trends. To grasp various signals possibly leading to serious downturns would have required some knowledge

that could put together changing political power relations, economic trends, and a host of social mores and population movements. As the Rwandan economy turned critical in the l980s due to the fall in the coffee price, support from foreign aid sources grew larger in relative importance for the ruling regime. Resources deriving from development cooperation, whether from bilateral donors or multilateral financial lending, became a source of contention within the governing circles.

Throughout this period, one clear signal of the downward trend that the international community ignored was the refugee factor. The presence of close to half a million Rwandan refugees in neighboring countries and beyond was a factor that should have drawn closer attention, and invoked clearer reaction. Instead, the refugee issue in the region remained unaddressed for three decades. Among the Rwandan exiles, in the meantime, those in Uganda had turned increasingly militant. Trained in guerrilla fighting in Uganda, while helping Museveni's National Resistance Army's return to power, they formed the Rwanda Patriotic Front, and invaded Rwanda from the north in January 1991. Civil war broke out, and while peace was negotiated, after the shooting down of the presidential plane on April 6, 1994, all-out violence erupted in Rwanda. Genocide was followed by the exodus of more than one and a half million Hutus from Rwanda. Large refugee camps were set up in the Democratic Republic of the Congo and Tanzania.

When the repatriation of Rwandan exiles started in 1994, especially in large scale after the attacks on the camps in the Democratic Republic of the Congo in October 1996, the repatriation had to be carried out on an emergency basis. The rehabilitation work had to move as refugees returned and could not wait for careful planning by the development community. The Rwanda government insisted that a quarter of the entire Rwanda population consisted of returning refugees and therefore had to be addressed by UNHCR on emergency terms. UNHCR had to carry out repatriation and reconstruction work simultaneously. Immediate solutions had to be found to meet the shortages of schools, equipment, teachers and funds. Most urgent were the needs of shelters and public service facilities. To make repatriation sustainable, we had to examine the circumstances and causes of the Rwanda conflict and directly address the underlying problems. In short, our contributions had to aim at rebuilding Rwandan society while advancing national reconciliation.

There were three pillars of assistance for UNHCR to address. First, we would provide shelter for the returning refugees. Second, we would assist in restoring justice as a way to promote reconciliation. Third, we would empower women, who were the main group of surviving victims. Over a five year period between 1995 to 1999, UNHCR spent $183 million for reconstructing or rehabilitating almost 100,000 houses to cover the shelter needs of half a million Rwandans. The beneficiaries would make adobe bricks; we would provide two wooden doors, four windows, corrugated iron roofing sheets, poles and plastic sheeting for each house. Labor would come from the people.

Building the judiciary system was an exceptional effort. It ranged from provision of the most basic office supplies and equipment to rehabilitation of courtrooms, tribunal buildings and prosecutors offices in the provinces. We supported the training of judicial personnel, from judges, attorneys and police officers to prison authorities. The rebuilding of the judiciary took place against the backdrop of overcrowded prisons where more than 130,000 genocide suspects were awaiting trial.

The main objective of the Women's Initiative was to empower women to be proactive in the country's development. In post-conflict countries, families headed by women and girls look after several younger brothers and sisters. As the reintegration and participation of women in the economic, social and cultural activities were the keys to the country's recovery, a host of training programs was installed. Provisions were made to strengthen women's legal rights to land and property and the overall need to strengthen the level of girls' education was emphasized.

When I went on a return visit to Rwanda last year upon the invitation of the Rwandan government, I was amazed to find so much progress in the interim period. Clearly, I saw housing launched by UNHCR spreading all over the hills. I saw functioning public institutions, and witnessed the traditional *gacaca* courts supplementing the state judiciary system. The educational facilities had advanced enormously. I visited two schools: one a girls' boarding school for science teaching, another a mixed technology school for practical training. The women's center was carrying out mass literary training programs for women at Kigali, but also in the provinces. A good many of the emergency immediate post-conflict rehabilitation programs had been followed up on and further developed.

The one major lesson that I could confirm was the relevance of speedy, immediate post conflict rehabilitation and reconstruction work by those who had been involved in the conflict and knew the most basic reform needs. Development cooperation should take over as rapidly as possible with larger resources and greater expertise. But it was fortunate that the rehabilitation needs of the people, their basic aspirations and patterns of communal life could be transferred over to the incoming developers. Development cooperation stands on developing new and advanced constructs, but also on cooperation with the people and society that will continue to be the permanent masters.

To conclude, the message to be passed on by the Wilton Park meeting is the close linkage of development and security. First, people should be regarded not only as objects or recipients of aid, but active bearers and promoters. 'Human security' primarily means people's security. Second, to prevent conflict, development cooperation must be alert and respond to significant trends of social, economic and political change. Particularly, signs of downturns must be grasped. They are frequently reflected in growing human rights violations, increasing imprisonments and refugee outflows. Third, for post-conflict peace building operations, development cooperation must deal with the root causes of the conflicts and be quick in response and straightforward in ameliorating these fundamental causes.

Thank you very much.

HIGHLIGHTS FROM PRESENTATIONS AND DISCUSSIONS AT THE WILTON PARK CONFERENCE

DOES CONFLICT PREVENTION IMPLY NEW DEVELOPMENT POLICIES AND DEVELOPMENT COOPERATION PRIORITIES?

"For as the nature of foul weather lieth not in a shower or two of rain but in an inclination thereto of many days together; so the nature of war consisteth not in actual fighting, but in the known disposition thereto during all the time there is no assurance to the contrary."

Hobbes, Leviathan (1651) Part I, chapter 33[2]

It is hard to imagine how poverty can end and sustainable human development – and the Millennium Development Goals (MDGs)[3] – can be achieved without durable peace. Globally, 40 of the 65 countries farthest away from achieving the Millennium Development Goals by 2015 are those affected by conflict.[4] In sub-Saharan Africa, since 1980, 32 of the region's 47 countries have experienced 126 armed conflicts involving the state. Furthermore, low intensity conflict is rampant throughout the region, and the share of people living in extreme poverty is rising (Annex D).

In line with global trends, the number of major violent conflicts in Africa during the last four years has declined. Nevertheless, the risk of deadly conflict remains high: peace agreements rarely settle the fundamental claims of warring parties or address the structural conditions that are the root causes of violence (Appendix 1; Mack).[5] Thus, conflict prevention is central to development as well as to security.[6] But the relationship between conflict and development is a complex two-way relationship:[7] while development can help reduce the risks of war; some forms of development aggravate the social tensions that underlie civil strife, criminality and organized violence.

Politics trigger armed conflicts but social and economic conditions, history and location are also drivers

To be sure, conflict is a feature of all societies but the resort to large-scale violence reflects a failure to forge peaceful means of resolving contests over political power and resources. In effect, wars result from political dynamics gone awry. The social and economic context provides an enabling environment within which grievances

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[2] Quoted by Valpy FitzGerald in conference presentation.
[3] See World Bank 2007. Global Monitoring Report, World Bank, Washington DC.
[4] Fukuda-Parr 2007.
[5] References in this format are to papers or statements presented at the Conference and available on the conference website.
[6] See particularly Collier and others 2002
[7] A large body of literature explores this relationship. It is discussed in later sections of this paper. Collier and Hoeffler 2002 and Fearon and Laitin 2004, "Ethnicity, Insurgency and Civil War," *American Political Science Review* 97(1): 75-90, have argued the strong link between poverty as measured by GDP per capita. See Murshed 2007 for a thorough literature review.

accumulate, entrepreneurs of violence emerge and the incentives and resources that facilitate the recruitment of combatants are shaped.

These structural conditions create a fertile environment for the onset of war. They do not invariably cause wars. Instead, they constitute 'risk factors' that raise the probability of violent conflict breaking out. The 1990s research on economic causes of civil war identifies a two-way causal relationship between poverty and violent conflict.[8] While the statistical correlation between low per capita incomes and frequency of war is well established,[9] it does not connote causality and the literature identifies more specific *economic, social and institutional* drivers of conflict. The policy implication is that the rate of economic growth as such matters far less than the *pattern of development.*

Thus integrating conflict prevention in development strategies and aid policies would help reduce conflict risks by addressing privileged social and economic drivers. In particular, cross country statistical analyses and qualitative studies over the last decade show that in poor and fragile states conflict risks can be exacerbated by the weight of history (past conflicts),[10] location ('bad' neighbors creating spillover effects), horizontal inequalities, group exclusion,[11] demographic youth bulges[12] and natural resource dependence.[13]

The five country case studies – of Burundi/Rwanda, Democratic Republic of the Congo (DRC), Mozambique, Sierra Leone and Sudan (Uvin, Kaplan, Hanlon, Davies and Ateem – Annex A) and the survey of African conflicts (Fukuda-Parr and others – Annex D) prepared for the workshop show the relevance of one or more of these factors in the 126 armed conflicts of the last 26 years. Legacies of ethnic exclusion, inequality and youth unemployment are characteristic features of the 32 conflict affected countries and many of them are located in 'bad neighborhoods.' There is considerable controversy over the relative importance of these factors. But they are not mutually exclusive and several of them may co-exist and be mutually reinforcing.[14]

Grievances over group exclusion and inequality have been conflict drivers in Burundi, Rwanda, Sudan, Senegal, Côte d'Ivoire, Liberia and elsewhere. Struggles over mismanaged natural resources have fueled wars in Liberia, DRC and Sierra Leone. Liberia is a notorious case where all the factors have long been present – including deeply entrenched inequalities between the Americo-Liberian elite and indigenous African groups; weak oversight of natural resources; and neighborhood effects. These

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[8] The terms war, civil war, political violence and armed conflict have been used in datasets with precise definitions. For example, the UCDP/PRIO datasets identify as 'war' violent conflicts resulting in 1000 battle-related dead, and as 'armed conflict' those that result in 25 battle deaths. This report does not follow these strict definitions.

[9] See Collier and Hoeffler 2002, among other studies.

[10] Collier and Hoeffler 2002.

[11] See for example Stewart 2002.

[12] See Cincotta and others 2003.

[13] Collier and Hoeffler 2002.

[14] There has been considerable debate and controversy over these analyses. While there are many disagreements among researchers over data, methodology and findings, there are also many points of agreement and the diverse factors identified are not mutually incompatible but reinforcing. In many contexts, several factors are at play. See Murshed 2007.

factors created the environment within which violence erupted and engulfed the country during two vicious civil wars.

These research findings have important implications for development policy, especially in states where social cohesion is weak and where the allocation of education budgets, the access to jobs in the bureaucracy, the contracts with multinationals, the use of natural resource revenues etc. have distribution consequences that can induce or deepen grievances among disadvantaged groups. Conversely, policies that can ease population pressures such as migration or reduced fertility (e.g. through girls' education) can have positive conflict prevention impacts.

A whole range of economic policies shaping fiscal management or rural development has an influence on employment. Unfortunately, the design of poverty reduction strategies has rarely addressed such risk factors or addressed the systemic social dysfunctions that underlie conflict proneness. Yet, the policy requirements for conflict prevention are not the same as for growth and poverty reduction. Thus, conflict prevention policies should become an integral part of the policy package promoted in poor countries – just as macroeconomic stability has long been at the top of the agenda promoted by donor countries as an overarching aid priority

Nothing can substitute for case by case assessments. The relationship between the underlying risk factors listed above and the emergence of armed conflict is neither automatic nor uniform. Their presence should not be considered predictive but probabilistic and worthy of policy attention from a sustainability perspective. But the structural risk factors identified by recent research are present to varying degrees in African countries and particularly in the 32 that have experienced war. While all countries are 'poor,' in many cases economic decline did not precede conflict. Horizontal inequality and the youth bulge are present more consistently than other elements. On the other hand, environmental pressure and natural resource dependence have been factors in relatively few of the 32 countries.

Since they relate to development structures, the risk factors identified by policy research are highly relevant to the formulation of development strategies including economic and social policies designed to reduce horizontal inequality, governance reforms to promote social inclusion (especially among youth), capacity building and economic policies to generate investment and employment-creating growth and long-term programs designed to manage the demographic transition (Ohiorhenuan, Couto).

In sum, economic growth alone cannot be expected to address structural risks. Fortunately, the Millennium Development Goals (MDGs) have broadened the development agenda and there is little doubt that accelerated progress towards their achievement would help enhance human security. But the programs needed to implement the MDGs should be harmonized with other security imperatives. Conflict prevention priorities should be heeded: peace and prosperity go hand in hand.

Conflict prevention is neglected in development strategies – by both governments and development partners – due to gaps in analytical frameworks and operational tools

In her keynote address (see above), Mme. Ogata highlighted some inconvenient truths about the international community's inability or unwillingness to react to obvious signals of economic, social and political deterioration. In Rwanda the world failed to act and prevent genocide despite warning signals, including mounting ethnic strife, rising political tensions and refugee flows. While the failures of international military response by the political community are well known, less well known is the neglect of conflict risks by the development community. In its analysis, based solely on the economic and social performance of the country and its positive steps towards democratic reforms, Rwanda's development progress was given high marks well after the social and political climate had taken a turn for the worse.

This lack of response reflects gaps in international development strategies of two kinds: analytical and operational. The analytical framework for development does not consider conflict prevention to be a policy objective of national policy nor of development aid. This is currently institutionalized for the development community in the MDGs, which do not include specific security goals or indicators. Until conflict assessments were mandated by donor agencies operating in fragile states, operational assessments of country development prospects did not focus on the political factors that influence domestic transformations. Nor were the structural conditions that make conflict more likely (or more destructive) routinely addressed in the design of development strategies.

An operational gap also needs to be filled: appropriate tools designed to shape the economic, social and institutional policy context for conflict prevention have been neither identified nor utilized. Armed conflict within poor countries is still considered as a predominantly political matter, to be managed through diplomacy, mediation, reconciliation or, in extreme cases, military intervention. These are the major tools of conflict resolution and prevention available to the international community. Thus, international action in Rwanda was late, inadequate and largely reliant on political tools that paid little heed to development issues.

The neglect of conflict prevention is pervasive. The survey of African conflicts prepared for the workshop (Annex D) reviewed the Poverty Reduction Strategy Papers (PRSPs) for the 32 countries affected by conflict. It found no systematic attention to analyses of economic and social causes or consequences of armed conflict. Some even omitted any reference to war. Other studies of policy instruments[15] document similar findings. Nor do PRSP guidelines, currently under review, mandate a systematic analysis of conflict factors. In brief, both national governments and donor agencies have tended to turn a blind eye to armed violence in the design of their strategies.

Neither national governments nor the international community have developed and applied systematic approaches to integrating conflict consequences and risks into development policy priorities. Major development policy instruments, starting with the PRSPs, need to be consistent in addressing conflict impacts and risks. While development agencies have put in place operational approaches to post-conflict recovery operations such as post-conflict needs assessment, transitional action plans

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[15] See Scharf and others 2008. This study analyzed 20 PRSPs and similar documents and more than 80 UN Development Assistance Frameworks and found that less than half referred to armed violence.

and rapid delivery mechanisms including multi-donor trust funds and other flexible funding facilities, major frameworks for development such as MDGs and PRSPs have not been adapted to incorporate conflict risks and consequences. (Ohiorhenuan)

These strategic deficits were evident in the pattern of external support accorded Rwanda in the years that preceded the genocide. The country was a priority recipient of aid because of its 'sound' economic performance. Another 'aid darling' has been Uganda, a country that has sorely neglected its northern region even though it was wracked by conflict. Equally horizontal inequality did not figure prominently in the strategies that donors followed in another major recipient of aid – Côte d'Ivoire. Neglecting to address regional exclusion from the fruits of economic growth and failing to encourage the resolution of group grievance made violent conflict in all of these countries far more likely. Similarly, a 'halo effect' of rapid economic growth may conceal the lack of employment creation and social inclusion in such countries as Rwanda or Mozambique where robust economic growth trends have been accompanied by worsening inequality.

Many donors have mandated conflict assessments in fragile states but these assessments have been frequently innocent of policy research findings. Indeed, independent evaluations[16] suggest that conflict insensitivity remains deeply rooted in aid practices.

Yet another reason why conflict prevention in fragile states has been neglected has to do with the fact that it is complex, demanding and hard to justify in terms of visible 'results.' That said, in security matters as in the public health field, prevention is demonstrably cheaper than the cure. On average the cost of a civil war is two and a half times the value of the country's GDP at the time the conflict starts. Preventing a single war saves USD 64 billion a year[17] on average. In the example of Togo, the cost of dealing with war would be much more than the cost of preventing it. (Houngbo) Thus, while conflict prevention involves high risks at the level of individual transactions it generates extraordinarily high rewards in the aggregate.

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16 World Bank 2006.

17 *The Economist* 2004.

INTEGRATING CONFLICT PREVENTION IN NATIONAL DEVELOPMENT STRATEGIES

To facilitate conflict prevention, *human security rather than unbridled and unbalanced economic growth should dominate economic policies and national development strategies in conflict prone states.* This requires a deliberate focus on distinctive priorities and operational emphases that have been validated by policy research findings.[18] Specifically, growth and poverty reduction strategies should give particular attention to the factors identified as conflict risks – historical, geographical and structural – and be attentive to political dynamics.[19]

Country specific analyses of social and political trends are essential in identifying risks of war

More research is needed to identify the interaction among structural risk factors in diverse country contexts. Those already identified in the research literature are not predictors. The linkages among them are complex, indirect, numerous and context specific: like Tolstoy's unhappy families, each violent conflict is unique and endowed with its own history and rationale. Accordingly, there is no standard way to prevent war, but this does not mean that lessons from past experience cannot be drawn to inform country specific analyses of its roots and proximate causes. Hence, rigorous case studies are needed to illuminate the implications of country factors for external engagement policies.

The lessons of Rwanda show the need to incorporate indications of social tensions such as refugee flows in evaluating development performance and identifying priorities (Ogata). In many countries, tensions such as conflicts over land (Putzel) continue to be given little attention in development policy making. Without analysis of these tensions, development policy may unwittingly aggravate them. Development has winners and losers, and is inherently connected to conflicts in society. Political analysis needs to be context specific. 'Early warning' economic indicators are too crude and simplistic as political deterioration leading to violent conflict is a highly complex and country specific process.

In general, 'blueprint thinking' should be shunned and more qualitative analysis done, particularly regarding the antecedents of economic and social indicators such as refugee flows and structural risk factors such as the situation of youth (Olonisakin) and the allocation of development resources among regions and ethnic groups. In conflict affected countries, analysis of the social and economic impacts and sources of armed violence should provide inputs to setting policy priorities. Systematic approaches to integrating such analysis should be developed and incorporated into instruments such as the PRSPs (Annex A).

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[18] Picciotto R. *et al* 2007.

[19] Terrorists are largely drawn from the middle classes but the ideologies they serve do not thrive in countries that have benefited from equitable and socially inclusive development.

From a human security perspective, major civil wars are not the only priority; low-intensity and non-state conflicts are a major threat to people's livelihoods and security in sub-Saharan Africa

The destructive impacts of war do not always show up in national data. Analysis of armed conflicts in sub-Saharan Africa over 19980-2006 shows a precipitous economic decline during war years in Liberia, Sierra Leone, DRC, Eritrea, Burundi, Djibouti, Mozambique and several other countries. Yet the GDPs of only nine of the 22 countries for which data are available were lower at the end of the war than at its onset; in 13 other countries, GDP was higher at the end of the war.

For some, such as Angola and Rwanda, there were dramatic declines at the height of the fighting, followed by recovery. Several countries sustained GDP growth while fighting continued, such as Sudan, Chad, Senegal, Ethiopia and Niger. Evidently, conflict did not affect major drivers of growth (M'cleod). Here again, a barometer of the quality of growth that would display broad-based, equitable and sustainable development characteristics would have been more revealing.

Of course, the destructive consequences of war are made visible from an assessment of disaggregated trends. For example, between 1990 and 2004, Uganda's Human Development Index (HDI) improved from .411 to .502, childhood immunization rose from 45 percent to 87 percent, and access to clean water improved from 44 percent to 60 percent.[20] Yet these national numbers severely misrepresent the stark and widening regional inequalities.

In 2005-06, Uganda's national poverty rate was 31.1 percent, while northern Uganda's poverty level was 60.7 percent.[21] The under-five mortality rate remains three to four times higher in the northern conflict areas than in the non-conflict areas[22] while the adult literacy rate, which stands at 77 percent in central Uganda, is a mere 47 percent in northern Uganda.[23] Neither national economic growth nor changes in Gini coefficients capture these dimensions.

Such situations have not always attracted the attention of senior policy makers in charge of development. Nor have *low intensity' conflicts*, often localized, and waged by non-organized groups that do not involve the state been a matter of concern to most donor agencies. Frequently dismissed as 'banditry,' such violent conflicts often reflect social grievances that go well beyond 'law and order' failures and ought to be indicators of the efficacy of development efforts from a conflict prevention perspective.

Conflict prevention requires building a state and a civil society able to resolve conflicts without resort to violence

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[20] UNDP 2007. Uganda Human Development Report 2007.
[21] Uganda bureau of statistics 2006.
[22] UNDP 2007.
[23] Nawaguna 2007.

Institutions matter. In countries that have been weakened by internal warfare, absent social transformation and institutions built to resolve conflict without violence, the chances that violence will erupt once again (and that the economic recovery will be aborted) are high; in about half of the cases conflict resumes within five years.[24] In sub-Saharan Africa, only two of the 32 countries that had armed conflicts during 1980-2006 achieved peace that lasted over a decade, and of the 154 cessations of fighting, only nine lasted for 10 years, and another 10 ceased less than 10 years ago and have not resumed. In fact, many of the wars have continued for decades, interrupted by cessation of fighting.

Peace agreements often freeze conflict rather than resolve it. Given humanitarian imperatives, they are often imposed as a result of outside pressures well before the conflicting parties reach a 'saturation point' or 'exhaustion level' in the use of violence.
Accordingly, when they sign peace accords, combatants often do so for opportunistic reasons. They suspend violence in the hope that the basic issues that led them to violence will be addressed and that they will be given a major stake in the new economic and political order. The only solution to preventing resurgence of conflict is to build capacity for peace.

A developmental state accountable for human rights obligations

The weakest, least developed states are the least able to protect themselves against insurgency, or to deploy peaceful means to resolve conflict, prevent the onset of conflict and resolve local disputes when they arise or before they escalate into violence. Conversely, in conflict affected and conflict prone countries, a key priority in national development strategies should be the strengthening of core state functions in order to achieve *improved governance*.

But violent conflicts have occurred where the state was strong, as in Rwanda or Burundi (Uvin). The nature of the state – the compact with the citizen that underpins its legitimacy as well as its resilience in resolving conflicts without recourse to violence – is more central. When a state is unwilling to fulfill its minimal obligations to the population, to maintain security and to prevent gross violations of human rights, and when people see no hope that the state would protect their human rights, the logic of the 'exit' option as described by Hirschman becomes compelling (Fukuda-Parr and Fuentes; Picciotto).

Checks and balances under transparent and representative governance regimes help adjudicate conflicting interests in the use of scarce national resources. Weak judicial systems, corrupt police establishments and unregulated private security services solidify the inequities and rigidities of the social order and contribute to 'structural violence' against oppressed minorities (Uvin).

Where oppression and elite rule undermine the human rights of citizens, political reform is needed, especially when warfare has undermined local communities, weakened the civil society and eroded the social contract (Davies). Political inclusion is a particularly important part of an agenda for conflict prevention in ethnically

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[24] Collier, P. *et al* 2003.

divided countries with high levels of horizontal inequalities (Stewart). Every group should be endowed with an appropriate share of political, economic and social influence.

Role of civil society

Beyond the principles of electoral democracy, the creation of a public space for principled policy debate is a critical element of conflict prevention strategy (Kaldor). The civil society plays an essential role in the mediation of conflict. A complex and dense network of voluntary associations, community organizations, academic institutions and professional bodies, the civil society provides public space for principled policy debates that facilitate prevention of violent conflict.

Voluntary organizations can construct platforms for truth and reconciliation activities and become involved in the mediation of conflicts through peaceful means. They can also act as incubators of peaceful change and social innovations. But civil society organizations should not be used to handle responsibilities better handled by the public sector or the private sector (Couto). Finally, vigilance is in order lest legitimacy be allowed to flow towards non-governmental groups that promote exclusive ideologies and divisive identity politics.

Decentralization as a conflict prevention measure

Greater state resilience to conflict may result from delegating more authority and responsibility to local authorities for three sets of reasons. First, it may decrease the intensity of grievances felt by remote, isolated regions by improving the quality, responsiveness and equity of social service delivery. Second, it may defuse social tensions by mitigating the urban bias of economic policies and strengthening the political representation of depressed regions and neglected groups. Third, it may help build social capital in local communities through increased participation in local decision making, greater respect for local cultural traditions, etc.

Of course, poorly designed decentralization may have exactly the reverse effects. In particular, grievances may be generated if decentralization is used as a cover for increased central controls. Equally, public displeasure may arise if the benefits expected do not materialize due to lack of organization and skills at local level or if repressive local elites are allowed to use the decentralization initiative to capture fiscal resources and political influence. Decentralization strategies also run the risk of further weakening state institutions (Couto). Thus, decentralization strategies should be aligned with the social political context.

Violence, gender relations and social capital

Social breakdown and psychological costs associated with civil war create a fertile ground for violence as personal expressions of frustration and as a means of resolving conflicts. Youth unemployment and shifts in gender roles are central to these social consequences. El Bushra notes, "violence leads to, and is in turn generated by, destructive impacts of armed conflict including poverty, humiliation, frustration, loss of livelihood, failures of governance, political manipulation, breakdown of inter-communal relations." The resort to violent behavior, especially the rampant sexual

violence, can be explained at least in part by the psychological impact of war on men and women not being able to fulfill their gendered roles.

Repairing the social fabric is an important part of preventing violent conflict in post-conflict societies. Women commonly emerge as the strongest actors in society as they persevere in the struggle for the survival and safety of their families. The strategy needs to be broad, including for example: public debates over gender roles and gender equality, and the promotion of a culture of human rights and citizenship.

Economic management priorities for post conflict recovery and conflict prevention are not the same as in non-conflict contexts

The application of standard economic management principles in conflict affected and conflict prone states amounts to a 'folly of conventional wisdom.' Raised efficiency, increased output, larger savings, reduced poverty and competitive entry into the global market are appropriate guidelines for peacetime conditions. By contrast, conflict sensitive development calls for reduced uncertainty, increased employment, pump priming of investment, greater horizontal equity and improved governance of natural resources (Ohiorhenuan, FitzGerald). Once again, standard macroeconomic policies geared to long-term economic growth should not trump all other priorities.

Macroeconomic policies

Specifically, the special nature of conflict affected and conflict prone economies implies priorities that differ from stable contexts (FitzGerald):
- Reduce uncertainty *vs*. raise efficiency;
- Increase employment *vs*. increase output;
- Raise investment *vs*. raise savings;
- Reduce horizontal inequality *vs*. reduce poverty;
- Reduce external vulnerability *vs*. increase world market integration.

The country case studies presented show that the rigid fiscal orthodoxy and the limited role of the state favored by international financial institutions slowed down the economic recovery of Mozambique (Hanlon) and Sierra Leone (Davies). Adoption of 'big bang' economic reforms is risky in weak institutional environments. Instead, fiscal policy should focus on production support; transparent and accountable public expenditures; low import duties to reduce smuggling; judicious revenue-sharing with local authorities; and restraint in domestic borrowing to finance the fiscal deficit.

Gradual diversification and deepening of the tax base should also be initiated to address aid dependency over time. Neither zero inflation nor maximum growth should be the exclusive aim of monetary policy. Restoration of development credit (especially rural credit) is essential. A competitive and stable exchange rate should be the aim of central bank intervention in order to minimize Dutch disease effects associated with large scale aid inflows.

Broad-based growth and reducing horizontal inequalities

Economic liberalization and privatization may facilitate rapid enrichment of market-savvy minorities that can exacerbate social resentments and ethnic tensions.

Addressing horizontal inequalities requires removal of institutionalized discrimination and exclusion in political, economic and social life. These inequalities can be addressed by strategies of broad-based inclusive development that combine pro-poor growth, universal access to social services, legal reforms to remove discrimination, and progressive taxation. But universal measures are not enough and direct policies to reduce historic inequalities may be necessary.

The experience of Malaysia, Northern Ireland and elsewhere shows that policies to reduce horizontal inequalities can be effective (Stewart). Political reforms such as federalism, decentralization or proportionate representation may improve political inclusion. Affirmative actions in employment and schooling have been effective in South Africa and Malaysia but remain controversial since they may entrench identities.

These policies are still not part of the consensus development agenda (Stewart) of macro-economic policies that involve stabilization and liberalization as well as growth and poverty reduction, nor are they captured by the MDGs. These policies are also neglected in post-conflict reconstruction policies[25] and are not part of the design of majoritarian democratic systems.

Addressing youth unemployment

From a human security perspective, population trends are critical. The development process invariably involves a demographic transition when lives lengthen and average family sizes decline. Countries at this stage of the transition are nearly two and a half times more likely than other countries to experience a civil war (Cincotta). In most of them, growth is not sufficient to create enough jobs for the expanding labor force. Their unemployment rates are three to five times higher than the average for developing countries. Among job seekers, young adult males are least likely to find work and most likely to resort to violence in response to their deprivation.

Especially where the state is weak and cannot manage social tensions, the combination of low growth and high fertility is highly combustible, especially where urbanization rates are high. Africa is home to 80 percent of the world's estimated total of 300,000 young soldiers (aged 10-24). Unemployment rates among African youth average 31 percent: the highest youth unemployment rates in the world. Africa also has the lowest rates of school enrollment and the largest share of the world total of 133 million illiterate young people.

The ease of access to small arms and light weapons makes violence an economic proposition for young unemployed men (Muggah) when economic stagnation prevails and the state security apparatus is weak or illegitimate. In such circumstances, development programs should take account of demographic and employment factors in parallel with security sector reforms that address disarmament, demobilization and reintegration of young combatants in the peace economy.

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[25] For example, equitable growth is not part of the policy priority in the Liberia PRSP – see Fukuda-Parr and others 2007.

The policy implications of these findings are straightforward. Population policies should be designed to accelerate the demographic transition, for example by favoring girls' education, family planning, women's rights and gender equality. Promotion of employment reduces the risks of conflict. Hence, economic policy should focus on providing enabling environments for rural development, small and medium enterprises and vocational training. Trade policies, foreign direct investment, credit programs and infrastructure development should also be geared to job creation. Emphasis on job training in deprived urban areas and community-based initiatives is especially useful as it combines social capital creation with employment.

Governance of land rights

Competing demands over natural resources can fuel discord especially when the structure of ownership is skewed, rights to land are contested and the claimants (for example farmers, pastoralists, ranchers, miners) belong to different ethnic groups (Putzel). Lopsided land ownership in agrarian societies (Kenya, South Africa and Zimbabwe) induces social tensions that fuel resentment and lawlessness. Disputes among different ethnic groups with incompatible requirements for (and/or inequitable access to) arable land, water, forests or fisheries tend to escalate as the natural resource gets depleted. This has been a significant factor behind local conflicts in Côte d'Ivoire, Nigeria and Rwanda. In Darfur, such violence has forced at least 1.2 million people from their homes and fields.

Land disputes are being aggravated by infrastructure investments (for example in irrigation and transport) that increase land values in areas where land ownership rights are tenuous, allowing displacement of poor farmers by rich farmers and powerful politicians. Development also induces intensification of land use and deprives nomadic communities of traditional grazing rights. Increased land values resulting from mineral exploration, or forest concessions can lead to land grabs where ownership rights are tenuous and the rule of law fickle.

Governance of natural resources

Statistically, civil war is more frequent in countries highly dependent on extractive industries (Hoeffler). In such environments, local elites may capture the bulk of revenues and the control of these resources gives incentives to control the state by violent means. Illicit resource extraction has supplied warlords with resources to purchase arms and recruit combatants. The lure of easy profits has also induced military incursions by neighbors, as in the DRC. Conversely, external intervention may hold the key to their resolution, as in Angola and Sierra Leone.

But, as illustrated by now-developed countries (as well as by Botswana) there is no good reason why oil, gas and mining resources should be a 'curse.' They have been a blessing under governance systems able to mediate competing claims and provide a suitable enabling environment for their profitable extraction, processing and use. So in the long run, building institutions to manage resources is essential (Hoeffler). The involvement of foreign companies in natural resource extraction has led to scrutiny by advocacy groups that have promoted public awareness of the links between natural resources, conflict and corruption.

Multinational companies have become more aware of their social responsibilities. In the mining sector, they have been advocating more effective partnerships among the private sector, the civil society and development agencies towards greater and more effective and transparent revenue sharing with local communities affected by extractive industrial activity (McPhail). At the international level, the multi-stakeholder Extractive Industry Transparency Initiative has generated wholesome civil society pressures for public disclosure of budget information in resource rich developing countries.

INTEGRATING CONFLICT PREVENTION IN DEVELOPMENT COOPERATION: RECONSIDERING AID POLICIES AND ARCHITECTURE

Development and conflict are essentially national and local processes. But the role of development cooperation is particularly significant in sub-Saharan Africa. Most countries in that region are highly dependent on aid resources for development financing. Hence, the conflict sensitivity of donor countries' interventions is critical to the stability of the region. While there is ample evidence that aid can do harm, there is also accumulated knowledge about the policy changes needed to lay the foundations for sustainable peace.

Updating aid policies and architecture: in engaging with 'fragile states,' moving from the 'how' to the 'what'

Over the last decade the donor community has advocated comprehensive reforms of aid delivery arrangements, stressing the need to align aid priorities and processes owned by poor countries lest domestic capacities are undermined. The principles of effective aid (commitment to poverty reduction, national ownership, mutual accountability and results orientation) adopted in the 2003 Monterrey Consensus and the 2004 Paris Declaration are especially well adapted to partnership with capable, accountable and legitimate states.

But donors have come to recognize that not all country partners own the governance preferences and poverty reduction objectives of DAC donors. While the key principles of the Paris Declaration are as relevant in conflict affected and conflict prone countries, they are exceedingly hard to apply and need re-interpretation. This is an urgent task since donor countries have identified violent conflicts and 'state fragility' as critical obstacles to the achievement of the Millennium Development Goals (MDGs)[26] as well as a threat to the spread of global terrorism and insecurity. The need to integrate and coordinate actions in pursuit of development, security and human rights had previously been highlighted by *"In larger freedom,"* the follow-up report to the Millennium Summit issued by the United Nations Secretary-General in 2005.[27]

The same concerns led the donor community to develop the "Principles for Good International Engagement in Fragile States," adopted in 2007 as a complement to the Paris Declaration (Manning; Trzeciak). Thus initiatives for reforming aid systems in situations of violent conflict have focused on the challenge of relating to states – rather than the priority needs of countries to prevent conflict and build peace. The Principles are couched in broad, generic terms[28] and address process issues – the 'how' rather than the 'what.'

To address the 'what' requires translating the priority attention to state building recommended by the DAC principles into precise guidelines (Manning). More broadly, it requires updating the conflict prevention guidelines to take account of the

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[26] See, for example, World Bank 2007. Global Monitoring Report 2007. World Bank, Washington DC.
[27] United Nations 2005.
[28] This is evident, for example, in the fact that they are not readily 'evaluable.' Nonetheless, evaluation guidelines for conflict prevention have been slow to be formulated.

security and development research findings accumulated over the past decade. It also requires addressing coherence with non-aid policies, such as arms trade and other issues highlighted by the reviews of 'whole of government' approaches (Tzreciak).

Recognizing the central role of politics – and the need for political analysis

Political science, the Cinderella of the development system, should be invited to the ball of policy making, especially in conflict prone states. This imperative reflects the critical role of politics in the implementation of conflict prevention programs. Addressing issues of horizontal inequality, designing conflict sensitive decentralization arrangements, balancing the dictates of economic efficiency with the need to ensure that major interest groups do not derail the implementation of peace agreements, etc. cannot be done without professional and objective assessments of the political force field.

The widely held assumption in the donor community that all 'fragile states' are weak in legitimacy, control of the territory, accountability and capacity for administration, and that these are pre-conditions to violent conflicts hides the diversity of conflict-affected countries. Many African states engaged in conflict were weak in all these aspects, such as Liberia and Chad, yet others such as Uganda and Burundi were not. Furthermore, local institutions and non-state actors may be endowed with significant social capital even where the state is weak or non-existent (Somalia).

Understanding the nature of state fragility and its role in vulnerability to conflict also needs country analysis. The apparent inability of political scientists to offer crisp and actionable recommendations to policy makers as well as the willful reluctance of international organizations to address the political consequences of their activities (or their inaction) should be reversed. But care must be taken not to subject political analysis for conflict prevention to the foreign policy priorities of individual donor countries. This is a prerequisite of the 'doing no harm' principle.

The objective application of human security principles – focused on the impacts of alternative policy options on society and on human lives – implies that broadly-based poverty reduction – aiming at progress towards a world free from want as well as from fear – should remain the overriding objective of development cooperation. Care must also be taken not to fall into the trap of facile analysis and over-reliance on quantitative 'early warning signs' of political and social declines and increasing risks of violence. Without an in-depth knowledge of the country's history and society, such signs may be misread.

Investing in early conflict mediation and reconciliation

Spending for conflict mediation and reconciliation is an investment in peace and prosperity. Neutral facilitation is a better option for nurturing a sustainable peace than backing the friendlier faction. Prudence dictates donor country engagement, not inaction, to help avoid state failure and its likely consequences: growing poverty, violent conflict, large-scale population displacement, and sanctuaries for criminal and terrorist enterprises.

Most violent conflicts result from a combination of underlying and precipitating causes. While the former require treatment of root or structural problems (along the lines sketched above), the latter may be amenable to diplomatic solution. This aims at sparing the international community a choice between respect for national sovereignty and the duty to intervene to protect the innocent. It is a chain with six major links: (i) predictive intelligence and analytical capacity, (ii) an early warning system, (iii) a toolbox of preventive methods, (iv) effective decision making, (v) capacity to respond, and (vi) political will needed for timely action.

The first two links have received extensive scrutiny. The art of intelligence is to cry wolf at the right time and to avoid crying wolf prematurely. The sheer mass of intelligence data hinders interpretation. Human intelligence is often at a premium as multiple dots are identified but remain unconnected. Predictive models predicated on systemic variables tend to predict trouble everywhere. Even the best intelligence gathering apparatus cannot eliminate all the uncertainties. Nothing can substitute for a deep understanding of the society.

Much progress has been made in building early warning capacities, and through the hard-won lessons of history a toolkit has been assembled to facilitate conflict mediation. Equally, a variety of multi-actor models are available to help coordinate the response. With the right skills and the right incentives, preventive diplomacy can help turn spoilers into stakeholders.

Donor country engagement should help to trigger dialogues and initiatives that can assist in remedying social grievances and facilitate the proactive and principled involvement of non-state actors such as non-governmental organizations and private entities. Small arms monitoring, embargoes and targeted sanctions are also part of the arsenal, along with preventive deployment of forces as the last resort. The weakest links in the chain are the political will to act and the strategic capacity to design a response.

Advocacy, political pressure and the promotion of a culture of prevention can nurture political will. This requires shared norms, shared definitions and shared parameters. Conflict prevention strategies should be adapted to the local environment by involving domestic actors, adopting their terminologies and respecting their distinctive cultural traditions. The civil society has a special role to play in changing public attitudes and facilitating reconciliation.

Heeding the lessons of peace-building experience

Post-conflict assistance should be designed to promote four distinct objectives: (i) public safety, (ii) reconciliation and justice, (iii) economic and social well-being, and (iv) reform of governance. Integrating military, political, economic, social and humanitarian goals is a delicate endeavor that requires a legitimate authority with good domestic leadership and generous external assistance. Acceptable security is the lynchpin of reconstruction, but healing the wounds of war through justice and reconciliation matters too. Effective coordination between donors and building the capacity of local agencies are more important than speedy implementation. Plans for reconstruction should be based on sound damage assessments and properly sequenced

interventions that display early results and provide for the return of displaced populations and their reintegration into society.

The conversion of military assets for civilian use is an important and complex aspect of the fragile transition from war to peace. Realizing a peace dividend is not straightforward. Many of the resources used for war (military installations, small arms) are of little use in peacetime. The reduction of military establishments may reduce tensions and build public confidence but it may also undercut legitimate national security needs. Conversion of arms production enterprises to civilian purposes raises complex issues of commercial feasibility and public sector restructuring.

Sharp reductions of military expenditures and rapid demobilization may have the unintended effects of privatizing violence and undermining security, as unemployed soldiers turn to criminal activity in order to survive. Collection and disposal of weapons requires careful planning and good community relations. Recruitment of former soldiers into the police and private security forces calls for retraining programs. Reintegration of ex-combatants into the fabric of civilian society requires investments in shelter, health support, counseling, transport, registration, subsistence, training, credit facilities, referral to private sector employers and so forth. The reinsertion of child soldiers into their families and communities requires special support programs.

Reconsidering aid allocation criteria: a venture capital model of aid allocation would be more relevant to the new security and development environment than the prevailing aid allocation protocols

A major gap in the existing conflict prevention policy framework lies in the approach – and the rationale – that the aid community has adopted in allocating aid among countries. The current system rewards well-governed well-performing countries, thus short-changing fragile states. Thus the DAC monitoring reports identify 'aid orphans' such as Burundi, DRC and Guinea, which receive less aid than countries with similar levels of poverty and governance indicators (Manning).

More fundamentally, a new approach to analyzing aid effectiveness is needed. The current model is also conceptually flawed as a means to improve aid effectiveness since it is static and does not recognize aid as a risky investment and a contribution to positive change. It rests on three basic operational assumptions: (i) country policies cannot be changed for the better through *ex ante* conditionality or other forms of donor engagement; (ii) aid cannot be channeled to minimize the distorting effect of poor policies, because of fungibility and the difficulties involved in 'working around' governments; (iii) policy and governance as measured by the CPIA determine aid effectiveness.

All three assumptions are questionable (Fukuda-Parr and Picciotto). First, while the history of conditionality is a litany of broken promises, and standard conditions have often proved ill adapted to genuine country needs, constructive changes in policy have been made easier by judicious conditionality combined with trade inducements geared to economic integration (as, for example, in Mexico before the agreement on NAFTA, or in Hungary and Poland before their EU accession). Similarly, businesslike aid

conditions embedded in long-term development partnerships have helped many countries to reduce poverty (for example Ghana, Tanzania and Uganda).

Nor is aid fully fungible. It is simply incorrect to postulate that aid funds channeled through government merely release resources for other uses. This overlooks the fact that in poor, aid-dependent fiscally pressed countries, development spending expands as aid increases and that fiduciary rules associated with project aid are specifically designed to restrain fungibility by attesting that funds are used for the purposes intended by donors. Furthermore, to the extent that development projects incorporate 'trait-making' features, aid provides genuinely additional resources.

Third, the correlations between policy quality and aid effectiveness are weak. Indeed, statistical tests show that the positive growth consequences of aid are *more pronounced* in countries of high economic vulnerability, based on indicators that give pride of place to structural factors and human resource endowments. From an ethical perspective, then, the provision of aid to vulnerable countries has merit in that it helps to compensate them for handicaps over which they have little or no control in the short run. By contrast, linking aid flows to policy prescriptions that may not impact on growth performance or conflict proneness has no redeeming social value.

Further, current aid allocation protocols pay no heed to the channels of aid delivery that critically influence aid effectiveness. While ratings by the World Bank's independent Operations Evaluation Department confirm that projects have a poorer record in low-income countries under stress (LICUS) than in other countries, they also show that the right kind of aid can achieve good results even in a difficult policy environment. Specifically, 58 percent of the evaluated projects approved by the World Bank in LICUS during 1998-2002 had satisfactory outcomes. And, remarkably, the performance of private sector projects funded by the International Finance Corporation has been as good in LICUS as in other countries.

Conversely, through a signaling and pump priming effect, aid helps to attract private flows and voluntary sector involvement in fragile countries. It helps to create the infrastructure, partnerships, and enabling conditions that allow non-state actors to participate in development operations. These externalities are not captured by current aid allocation principles. Nor do the allocation principles take account of the potential benefits associated with aid flows that are timed to compensate for economic shocks caused by natural emergencies, major adverse movements in terms of trade, or structural vulnerability created by exposure and susceptibility to shocks (counter-cyclical aid).

NEW DIRECTIONS: POLICY AND RESEARCH INITIATIVES

The analysis in this report is intended to stimulate long-term reflection on development strategies and aid priorities. But some immediate actions can be taken to move these ideas forward in forms of both policy initiatives and research projects.

Agenda for Policy Initiatives: immediate action can be taken to develop operational tools and approaches

Developing methodologies for conflict-risk analyses in planning frameworks

At the country level, unless the development community mandates conflict analysis in planning frameworks, including the underlying causes of social exclusion, conflict prevention will continue to be neglected. PRSPs, despite the institutional constraints they face, especially in weak states, are critical because they influence resource allocations towards domestic priorities. Such analyses should also inform donor instruments such as the UN's UNDAF and the World Bank's CAS.

Adopting new metrics in policy frameworks: Millennium Security Goals (MSGs)

What does not get measured does not get done. Metrics that incorporate qualitative as well as quantitative measures are needed to promote security, peace and stability (taking full account of the United Nations High Level Panel on Threats, Challenges and Change report). Such goals and indicators would be a desirable complement to the Millennium Development Goals (MDGs). Indeed, they would help achieve them, given that violent conflict is a major obstacle to development progress in the poorest regions of the world. Generated through a participatory and legitimate process and universally adopted, such Millennium Security Goals would put a capstone on the global security and development architecture presaged by the Millennium Declaration that was endorsed by all heads of state at the turn of the century.

Ultimately, the unit of account for measuring security should be the individual or, as an intermediate step, the household. This is where the ultimate burden of armed violence lies – whether it originates at the global, regional, national or local level. Eventually, independent monitoring and evaluation arrangements would need to be set up to measure Quality Adjusted Life Years in order to track progress towards universally agreed Human Security Goals at country, regional and global levels.

Agenda for policy dialogue: academics and policy makers to consult more to develop a consensus on the economic, social and institutional prerequisites for preventing outbreaks of violence on a case by case basis

Research over the last decade has shown the inter-relationship between armed conflict and development. The previous section of this report has argued that, so far, the results of these analyses have not influenced development agendas. The knowledge-policy gaps could be filled if the research and policy communities were to draw out the policy implications for identifying the economic, social and institutional prerequisites of preventing violent conflicts. But another obstacle is the lack of consensus among both academics and policy makers.

However, while there are many points of disagreement, there are also some points of agreement. Heated controversies such as 'greed *vs*. grievance' debates have undermined the emergence of consensus positions. The sources of conflict risk identified by different studies and authors are not all mutually exclusive and can be mutually reinforcing (Fukuda-Parr 2007 and Picciotto).[29] The nature of these risks may also change over time (M'cleod). A series of policy dialogues are needed to develop some consensus positions on the macro-economic policies, social policies, sector priorities and institutions that would help reduce risks of conflict.

Agenda for research: building on the state-centered research of the last decade, a new generation of policy research should focus on causes and consequences of conflict for low-intensity conflicts that challenge prevailing assumptions

Research of the last decade has helped establish important relationships between poverty and violent conflict. The new generation of research should build on these findings, explore questions that remain unanswered and challenge some of the assumptions that have emerged. To this end, research should give priority to in-depth and rigorous country case studies to illuminate the linkages between the root causes of violent conflict and its precipitating factors and the implications for conflict management and external engagement. Some clear priorities that emerge would be to shift emphasis:
* From causes to prevention policies;
* From major civil wars to low-intensity political violence;
* From economic and social outcomes and drivers to political and institutional designs for resolving conflicts peacefully;
* From 'fragile states' to supportive aid instruments;
* From national to individual and group security indicators.

Policy agendas for conflict prevention

As already noted, the last decade's research focused on exploring the relationship between poverty and violence. The new priority should be on the implications of policy options in macroeconomic, sector and institutional areas. The consensus view of the development community defines policy goals of development policy management as economic growth, macroeconomic stability and poverty reduction. Integrating conflict prevention as another policy objective implies a different set of priorities.

Low intensity conflicts

State-centric framework has been another feature of the last decade's research agenda. It has been dominated by analysis focused on the state as the unit of analysis in understanding poverty as a cause of conflict, and on economic and social factors. Cross country regressions use datasets on state-centered civil wars. Qualitative case studies have also focused on the country as a whole. All but one of the over 60 datasets are for wars where the state is a party. Major analyses of global security trends and challenges such as the Human Security Project report on state-centric civil

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[29] See also Murshed 2007.

wars. These studies respond to the policy motivation of achieving global security and political stability at the national level.

It is time to give more priority to low intensity conflicts and their causes and impacts, particularly the transmission mechanisms by which their consequences may be limited, and by which policies influence drivers of violence. The state centric approach neglects non-state and cross-border actors; as Kaldor notes, "although most of these wars are localized, they involve a myriad of transnational connections so that the distinction between internal and external, between aggression (attacks from abroad) and repression (attacks from inside the country), or even between local and global, are difficult to sustain."[30]

Institutional and political processes for resolving conflicts peacefully

The focus on economic and social factors as conflict drivers opened the way for exploring poverty as a cause of violent conflict. It is increasingly recognized that economic and social factors do not relate directly with violence but interact with political factors, and that institutions of governance play an important role. While it is also widely assumed that democratic processes are central, more needs to be explored about the institutions and political processes that make local decision-making processes work to resolve conflicts without recourse to violence. In some cases, elections exacerbated group grievances (M'cleod). More needs to be explored about policy approaches – such as decentralization – that may facilitate such processes.

Supportive aid policies and instruments

The consensus view of the donor community on supporting countries affected by violent conflict emphasizes the core elements of the Paris Principles and sound macroeconomic management. Yet pious mantras regarding ownership, partnership and results orientation do not help produce results in fragile states. Research on aid effectiveness is needed to explore policy approaches and instruments that might be more effective. For example, the project vehicle, which lost favor in the era of policy-based lending, is a highly suitable one for assisting weak states.

Sachs describes 'on the ground' solutions for ending poverty in poverty-stricken villages and urban neighborhoods, and he unveils a 'new' approach to development policy formulation: 'clinical economics.' The methods replicate in precise detail the approaches that aid practitioners have long been using to identify development interventions suitable for external funding.

Similarly, research should focus on the impact of rapid liberalization reforms and conditionality. Aid officials have often succumbed to the temptation of 'big bang' reform packages in post-conflict situations when governments are weak and still unrepresentative. To be sure, policy-based operations have a role to play in transferring resources, helping to strengthen or re-establish core economic ministries, and locking in basic principles of sound economic management. But these operations may exacerbate conflict and destabilize fragile governments if they involve, as they often do, shifts in resources among competing groups and if, given the law of

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[30] Kaldor 2007.

unintended consequences, they favor one faction over the other in a conflict. Subsidy reductions, fiscal reforms and reallocation of public expenditures can have enormous political repercussions and hence should be subjected to critical scrutiny from a conflict-prevention perspective. Where states have collapsed (as in Somalia), the concept of sovereignty should be adjusted: it should allow official interaction with *de facto* entities on the ground. The human cost of awaiting the restoration of territorial integrity may be too high. In general, aid should be conceived of not only as an incentive for good policy performance but also as an instrument for capacity building and conflict management.

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The convergence of security and development objectives requires new policies, new strategies and new forms of external engagement.

Today's armed conflicts in Africa defy the state-centric analytical frameworks and policy instruments – contemporary armed conflicts in Africa correspond more closely to the concept of 'new wars' as they are motivated by both political and private economic objectives, commingle state and non-state actors with local and external allies, and involve violence perpetrated against unarmed civilians by state armies, non-state militias, and organized criminal networks.[31]

New engagement requires a human security approach that addresses explicitly the major impacts and causes of war so as to consolidate the peace and prevent the recurrence of conflict. It requires adjustments in conceptual framework for analysis, data gathering and action.

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[31] See works of authors such as Kaldor 2007 and Reno 2005.

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