

Preventing Conflict and Development Cooperation: linking freedom from want and freedom from fear

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In Larger Freedom

United Nations, 2003

“In the twenty first century, all States and their collective institutions must advance the cause of larger freedom – by ensuring freedom from want, freedom fear and freedom to live in dignity. In an increasingly interdependent world, progress in the areas of development, security and human rights must go hand in hand. There will be no development without security and no security without development. And both development and security also depend on the respect for human rights and the rule of law.”

MDGs: 65 worst performing countries are vulnerable to conflict

Conflict affected 1990-2005	43	
Neighbourhood (Not affected but bordering on countries conflict affected countries)	8	
Horizontal Inequality: high scores in		
- legacy of vengeance seeking group grievance	50	
- uneven development along group lines	56	
- rise of factionalized elites	64	
Youth bulge:		
- over 40%	12	
- 35-29%	32	

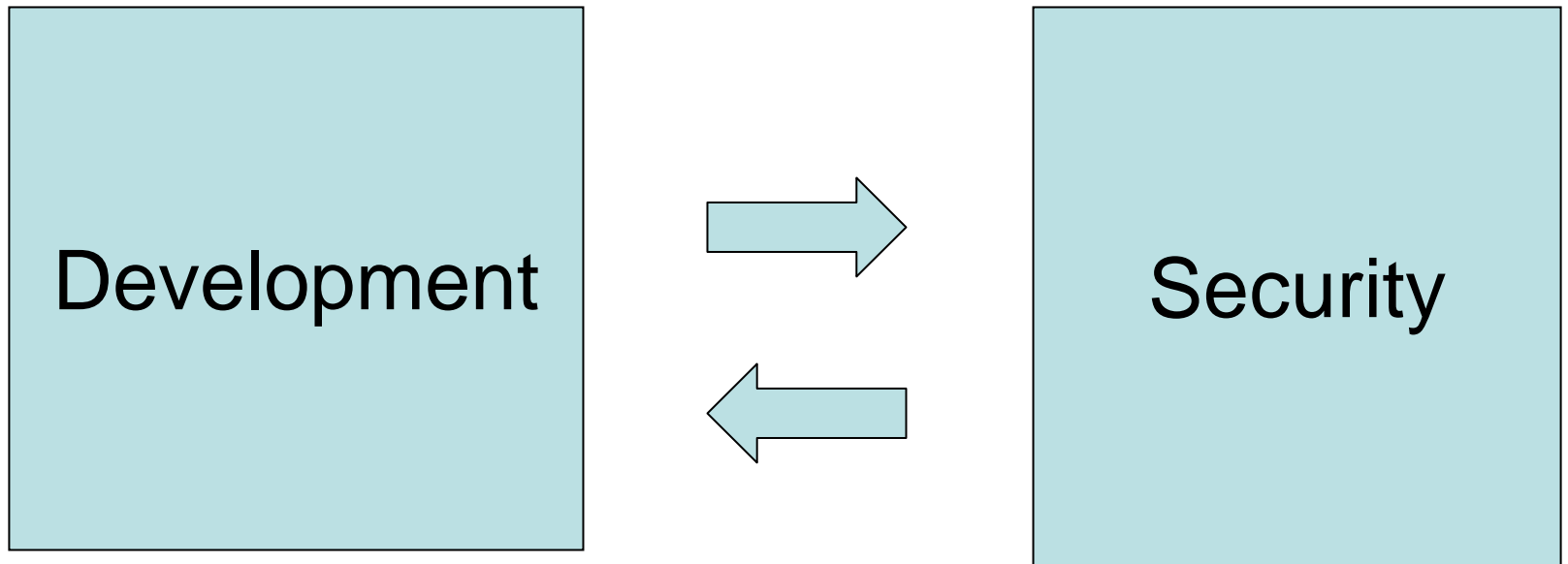
Human Security

- Concept of human security
- Two pillars of human security: Freedom from fear and freedom from want
- Both freedoms are valuable in themselves
- Inter-relationship between the two: security influences development; development influences security
- *What is the nature of this relationship?*

Outline

- I. Relationship between security and development or between violent conflict and poverty
- II. Policy implications
- III. Review of 3 countries post-conflict development policies
- IV. Role of development cooperation

I What is the relationship?



Poverty as cause and consequence of violent conflict

Links between violent conflict and development

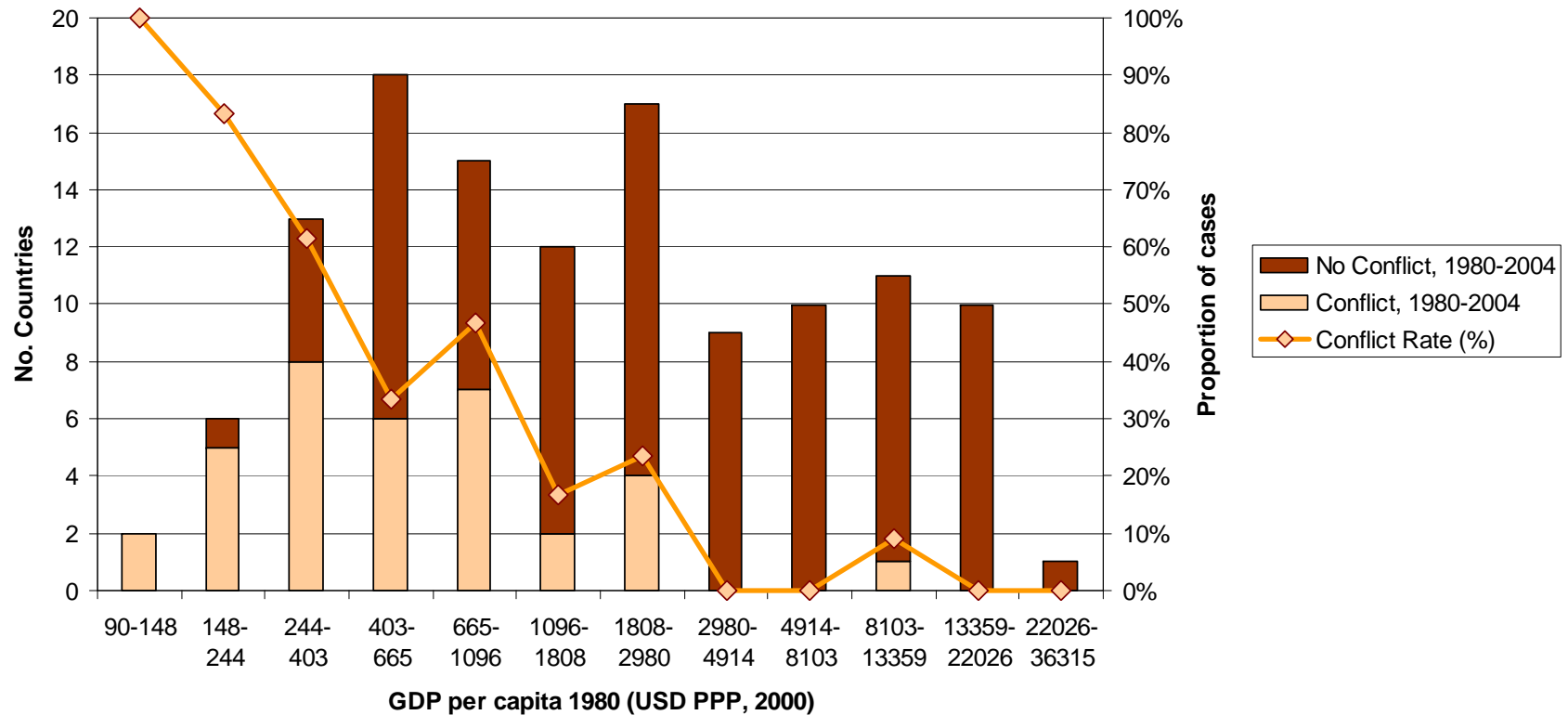
Research on causes of recent conflicts
focus on economic and social correlates of
civil wars

- Structural factors associated with conflict vs. historical assessment
- Cross country statistical analysis, Case studies

Structural conditions that raise risks of war

- Chronic poverty (Collier, Fearon)
- Horizontal inequality (Stewart)
- Overdependence on mineral resources (Collier and Hoeffler)
- Youth bulge, unemployment and exclusion (Cincotta)
- Environmental stress (Homer-Dixon)
- Neighbourhood spillover

Conflicts are in poor countries



country with per cap GDP of \$1000 has 3 times the risk of war as country with pc GDP of \$4000

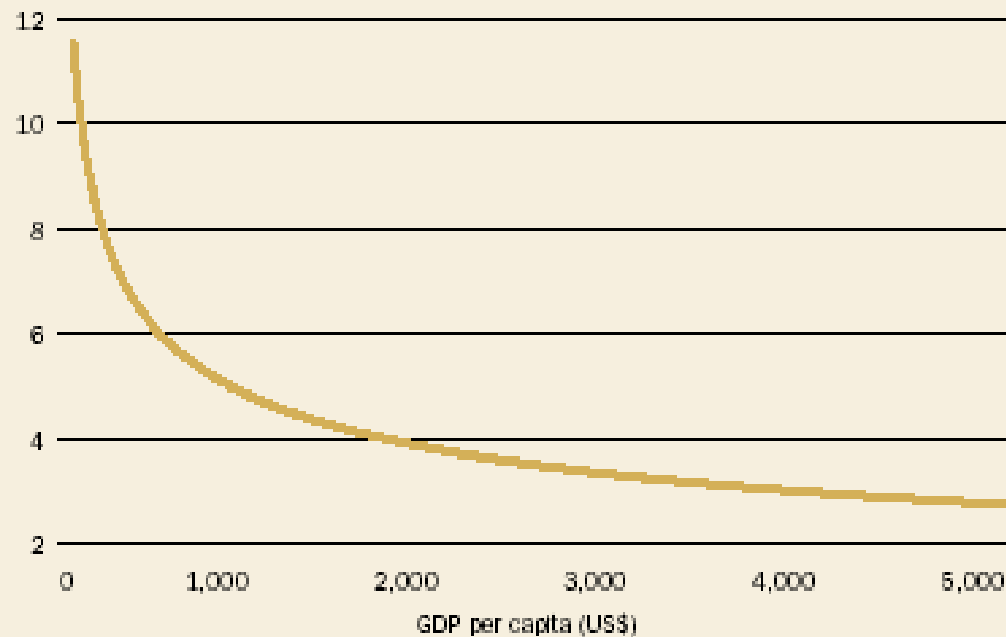
Figure 1

Rising national incomes reduce the risk of civil war

Predicted probability of observing a new conflict within five years (%)

Note: Estimated probabilities are derived from the relationship between GDP per capita (constant 1985 US\$) and civil war onset. The figure denotes only average relationships identified across countries and over time and does not imply that for any income levels conflict risks are the same in all places.

Source: Research undertaken by Macartan Humphreys (Columbia University) using data on GDP from World Bank 2004d and on civil war onset from PRIO/Uppsala University 2004.



Source: UN Millennium Project, 2005

Are these findings robust?

- reflect complex non-direct relationships
- not contradictory but complementary and mutually reinforcing
- present in different combinations
- also combine with *low legitimacy of the state that fails on its core functions*: security, law and justice, providing basic education and health services.
- require country specific analysis of history and political dynamics

Explaining dynamics – complex and controversial

Economic explanations for why insurgencies begin and continue.

- motives for leaders (greed vs grievance)
- incentives for fighters and supporters to join insurgency (group affiliation vs. individual motives)
- mechanisms for financing (capture of resources, foreign support, illicit trade)

Unequal development and conflict

- Various formulations of groups in the poverty-conflict nexus:
 - ‘Relative deprivation’ – Ted Gurr and Minorities at Risk Project
 - ‘Categorical inequality’ – Charles Tilly
 - ‘Horizontal Inequality’ – Frances Stewart and CRISE
- All find strong and significant relationship between inter-group inequality and incidence of conflict
- This relationship is complex, mediated by *political* and economic inequalities, and *nature of state – citizen pact*

What is a fragile state

A state lacking legitimacy

- Failure to deliver core functions of the state: security, rule of law, basic needs – guarantee full range of human rights of citizens
- Lack of capacity (financial and administrative) to deliver
- Lack of resilience to withstand political tensions and resolve conflicting interests peacefully
- Citizens resort to 'exit' strategy, or insurgency

II Policy implications

There is no automatic simple relationship between development and security. Development does not guarantee security.

Development can raise risks of conflict when it worsens:

- Horizontal inequality
- Environmental stress
- Overdependence on mineral resources
- Youth bulge, unemployment and exclusion
- Neighbourhood spillover
- *weak state legitimacy*

Economic policies, social policies, governance reforms

Misleading statement: country with per cap GDP of \$1000 has 3 times the risk of war as country with pc GDP of \$4000

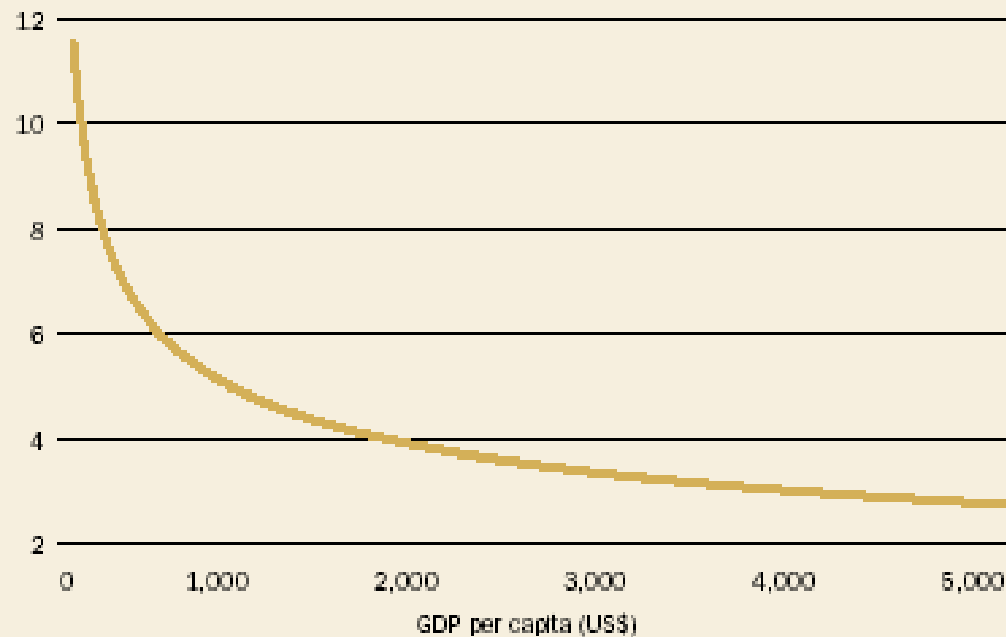
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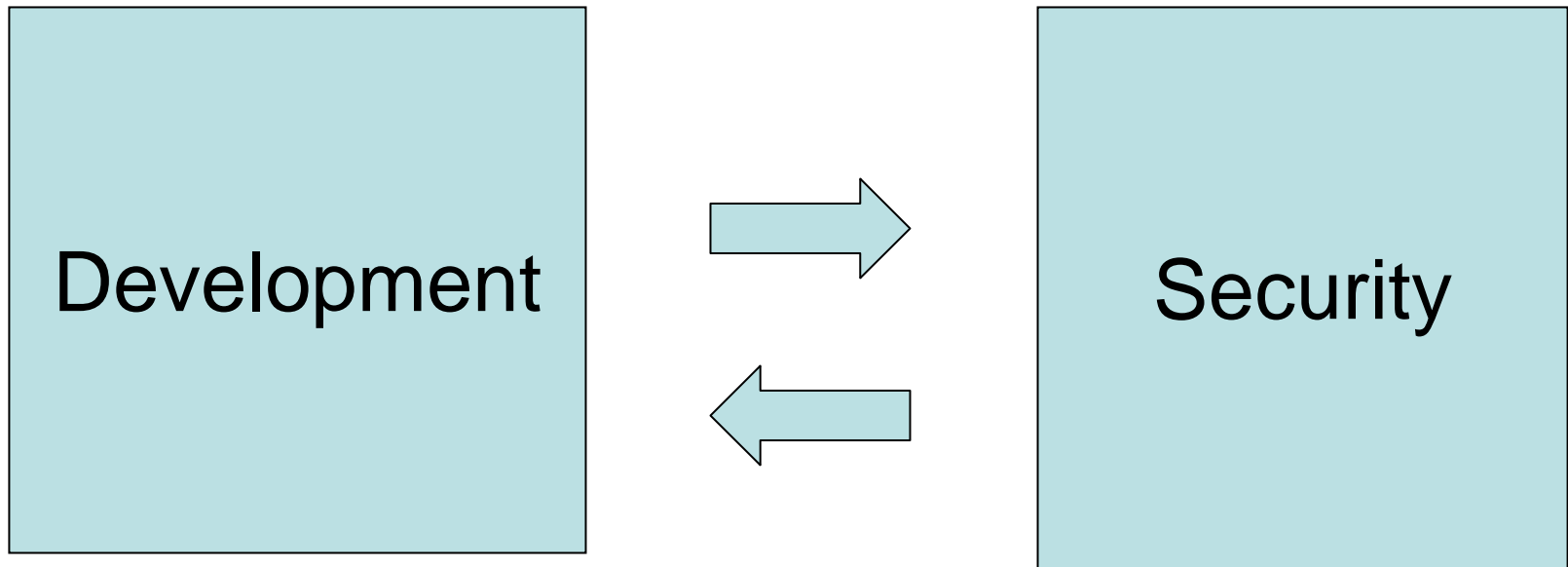
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Policy implications for conflict prevention



Reduce risk factors through:
Economic policy, Social policy, Governance reforms

Development policy and conflict prevention

Social and economic policies and risk factors:

- horizontal inequalities (ex regional distribution investments in education, health, roads, etc.)
- youth unemployment and exclusion (ex pro-poor growth favour labor intensive sectors)
- environmental stresses and internal migration (ex regional development policies, environmental policies)
- overdependence on natural resources (ex diversification)
- neighbourhood spillover effects (ex trade in small arms, etc)
- *legitimacy of the state (governance reforms eg judiciary, police, decentralisation, etc)*

III Case studies: Liberia, Guatemala, Nepal

- **Liberia: 1989 – 2003**

- 1989-90 ends in ceasefire

- 1992-93 ends in Cotonou ceasefire

- 1994-98 ends in Abuja Accord

- 1997 Taylor elected president

- 1997-2003 ends in Comprehensive Peace Agreement

Nepal: 1996-2006

- 1996 Communist Party of Nepal (Maoist) [CPN(M)] declares peoples war

- 2006 CPN(M) and government declare ceasefire

- **Guatemala: 1960-1996**

- 1960 Officers revolt

- 1996 UN moderated peace accords

Case studies: Nepal, Liberia, Guatemala

- Review of national poverty reduction strategies in 3 countries Dec 06 – March 07
- Root causes of conflict:
 - unequal development and ethnic exclusion (horizontal inequality – N, L, G)
 - Overdependence on natural resources (L)
 - Youth bulge and unemployment (N, L, G)
 - Environmental pressure/disputes over land and food insecurity (N, L, G)
 - Oppressive state: Abuse of human rights by the state and by insurgents (N, L, G)

National averages: Poverty levels in Guatemala, Liberia, Nepal (2004)

				Stunting				
Country	HPI value	GDP per capita PPP		less than - 3 s.d	less than - 2 s.d	Year	Income poverty (\$1 day) c/	
Guatemala	22.9	4313		21.2	49.3	2002	13.5	
Liberia	..	163		18.3	39.5	1999-00	76.2	
Nepal	38.1	1490		21.3	50.5	2001	24.1	

Horizontal inequalities: Guatemala

Table 3: Disparities in income and human poverty – Guatemala, Liberia and Nepal

Guatemala	Income poverty (national poverty line)	Extreme poverty (national line)	Children underweight for age	Stunting (Less than 2 s.d)	Adult illiteracy rate (% ages 15 and older)
Male	22.5	48.6	24.6
Female	22.9	50.0	36.7
Urban	27.12	6.92	16.2	36.5	
Rural	74.49	93.08	25.9	55.5	
Indigenous	77.32	70.17	30.4	69.5	
Ladino	41.82	29.83	17.5	35.7	
Source	ENCOVI	ENCOVI	ENSMI	ENSMI	HDR

Horizontal inequalities: Nepal

Table 3: Disparities in income and human poverty – Guatemala, Liberia and Nepal

Nepal	Income poverty rate (national line)	Income poverty (\$1 day)	Children underweight for age (% under age 5)	Stunting (less than 2 s.d)	Adult illiteracy rate (% ages 15 and older)
Male	..		46.1	49.2	37.3
Female	..		50.5	51.8	65.1
Urban	9.6		33	36.6	HDR
Rural	34.6		49.4	51.5	
Source	MDG	HDR	WHO	WHO	

Horizontal inequalities: Liberia

Table 3: Disparities in income and human poverty – Guatemala, Liberia and Nepal

Liberia	Income poverty rate (national line)	Income poverty (\$1 day)	Children underweight for age (% under age 5)	Stunting less than - 2 s.d	Adult illiteracy rate (% ages 15 and older)
Male			7.9	42.1	50
Female			4	36.8	74
Urban			5.7	30.6	
Rural			6.2	44.1	
Greater Monrovia			5.7	30.5	
Source			WHO	WHO	HDR

Horizontal inequalities: Nepal

Representation of population groups in high level positions

Group	% of Nepal's population	% of high level governance positions held
Brahmin and Chhetris	31.6	66.5
Newars	5.6	15.0
Janajatis	22.2	7.1
Dalits	8.7	0.3
Madheshis (Terai communities)	31.9	11.1
Total	100	100

Source: Neupane (2002)

HUMAN DEVELOPMENT BY CASTE/ ETHNICITY

Human Development Indicators	Nepal	Brahmin	Chhetri	Newar	Hill ethnic groups	Madhesi	<i>Dalit</i>
Life expectancy,	55.0	60.8	56.3	62.2	53.0	58.4	50.3
Adult Literacy (%)	36.72	58.00	42.00	54.80	35.20	27.50	23.80
Mean years of schooling, 1996	2.254	4.647	2.786	4.370	2.021	1.700	1.228
Per capita income (NRs), 1996	7,673	9,921	7,744	11,953	6,607	6,911	4,940
Per capita PPP (US\$), 1996	1,186	1,533	1,197	1,848	1,021	1,068	764
Life Expectancy Index	0.500	0.597	0.522	0.620	0.467	0.557	0.422
Educational Attainment Index	0.295	0.490	0.342	0.462	0.280	0.221	0.186
Income Index	0.179	0.237	0.181	0.289	0.152	0.160	0.110
HDI	0.325	0.441	0.348	0.457	0.299	0.313	0.239
Ratio to national HDI	100.00	135.87	107.31	140.73	92.21	96.28	73.62

Source: Adapted from NESAC, *Nepal Human Development Report* (Nepal South Asian Centre (NESAC), Kathmandu 1998) and J. Gurung, Promotion of Sociocultural, Economic and Political Participation of *Dalits* and Other Disadvantaged Groups: A Strategic Approach (Draft). (Submitted to the Enabling State Programme (ESP), Kathmandu, 2002).

Note: Hill ethnic groups include only, Sherpa, Gurung, Magar, Rai and Limbu;
 The *Madhise* category includes Rajbanshi, Yadhv, Ahir and Tharu (an ethnic group);
 The *Dalit* category includes *Dalits* from the hills and tarai.

Nepal: Rising inequality 1995-2003

- Poverty fell: 42 – 31%
- Inequality rose (gini coefficient): 34.2 – 41.1

State – citizen relations: common features in 3 countries from UN special rapporteurs

- High levels of impunity
- State security forces involved in crime. History of state sponsored violence
- Violence against women
- High levels of food insecurity
- Discrimination against indigenous and ethnic groups
- Low intensity conflicts, land disputes
- Lack of human rights protection and gross violations eg human trafficking for prostitution and body organs

Development policy

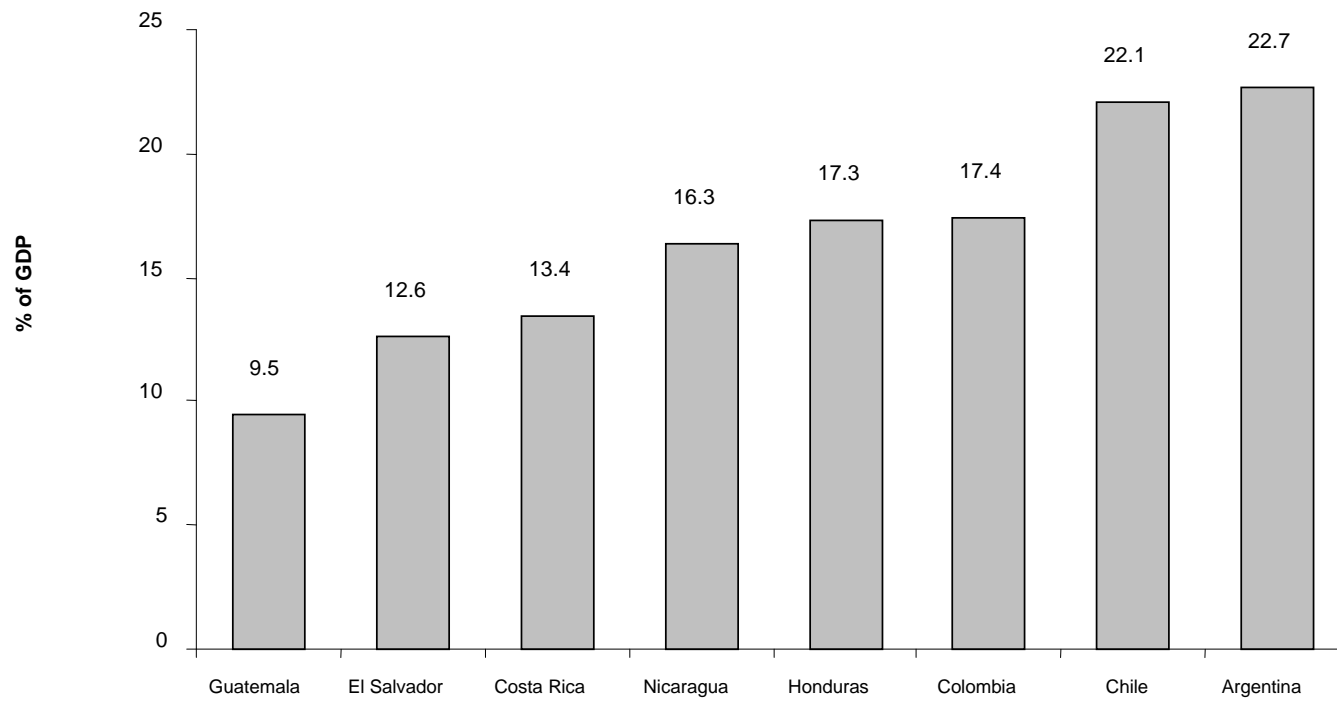
- Nepal PRSP/5 year plan:
 - inadequate attention to employment creating growth
 - poverty reduction due to remittances not domestic growth
 - political restructuring emphasizes political representation of 'excluded groups' but not more equitable economic and social policies

Development policy

- Liberia interim PRS (Jan 2007)
 - priority to restoring traditional sectors (rubber, timber, minerals) as engines of growth
 - inadequate attention to agriculture and rural livelihoods
 - lack of attention to distributional impacts of social infrastructure development
 - relief efforts concentrated in Monrovia

Development policy

- Guatemala 1996 Peace accord commitments: budget analysis
- lowest expenditures for education & health in Central America
- lowest tax revenues in central America
- social allocation ratio 6.1% Guatemala; 18.1% Costa Rica



III Development Aid and Violent conflict

- Aid as source of financial resource and political legitimacy, can provide incentives and disincentives to warring factions (Uvin, *Aiding Violence*. Rwanda before the genocide)
- Support to economic and social policies, governance reforms: to address risk factors
- Support to state capacity: Fragile states lack capacity. Capacity requires resources and admin capacity.

Donor policies – some approaches

- Political neutrality or ‘Turning a blind eye’ to internal wars:
 - government ownership
 - aggregate national growth and poverty reduction hides problems [e.g. civil wars in Ghana, Uganda]
 - donor agencies reflect power structures [e.g. Rwanda; Nepal – donors ‘part of the problem’]

Donor response

- 2005 DAC principles: Reactive not proactive – emphasize ‘Do no harm’; not very different from principles for all countries
- Disparate definitions of fragile states
- Fragile state category based on development outcomes not underlying conditions

Issues for development cooperation priorities

- Objective: economic growth or conflict prevention – intellectual and analytical shifts needed
- Criteria for aid effectiveness.
- Criteria for aid allocation: Monterrey consensus rewards good performer

Thank you