

3 International Cooperation for Human Security : A Coherent Agenda for Development and Conflict Prevention¹⁾

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In the twenty first century, all States and their collective institutions must advance the cause of larger freedom-by ensuring freedom from want, freedom from fear and freedom to live in dignity. In an increasingly interconnected 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 respect for human rights and the rule of law. (UN, In Larger Freedom, 2003)

Introduction

Ending poverty and achieving peace are central objectives of the 21st century as envisioned by world leaders in the Millennium Declaration adopted at the historic UN General Assembly in September 2000. These are not new objectives; guaranteeing 'freedom from fear' and 'freedom from want' for all people was the founding vision of the United Nations just as they form, together with freedom to live in dignity, the three pillars of the Secretary General's agenda 'In Larger Freedoms'. What is new today is the idea that these two objectives are interrelated; that global security threats are inextricably intertwined with the challenge of global poverty, and that the two objectives are not only important ends but are a means to the other.

If the problems of poverty and violent conflict are causally interrelated,

they need to be addressed with a coherent agenda, with mutually reinforcing priorities, instruments, and approaches. It would not be enough to assert 'there is no peace without development and no development without peace'. It would require an effort at converging the two agendas, a major departure from the last half century during which the two were deliberately kept apart under pressure of Cold War politics. As a result, these two agendas are far from being aligned. In fact, there are contradictions in priorities and instruments. Aid for development can and does - unwittingly - empower repressive regimes and increase tensions. The international community uses sanctions to pressure regimes that are either repressive to their own people or a threat to world peace to change their behaviour, but sanctions have devastating effects on development.

The purpose of this essay is to explore the gaps and inconsistencies between current development and security agendas. The paper focusses on development cooperation and sanctions. Although policies in commercial trade, foreign investment, environment, migration, technology, arms trade, and many other areas influence global development and security, it is aid that has been invented by the international community as the primary tool for the purposes of promoting international development, and to meet humanitarian needs during and after war. Apart from military intervention and diplomacy, the primary instruments that the international community can use for promoting security is sanctions. These are also instruments that the international community makes efforts to coordinate. Even though both sanctions and aid are also bilateral activities, both are also used multilaterally. UN and regional sanctions are applied collectively. And although aid policies are bilateral, enormous efforts are put in place to achieve consensus and coordination through mechanisms such as the Development Assistance Committee (DAC) of the OECD.

After reviewing what the recent literature tells us about these links and

what they imply for international policy, the paper identifies the main gaps and contradictions between the conflict prevention objectives and the international cooperation agenda, instruments and paradigms.

1 What We Know About the 'Poverty' - Conflict Links

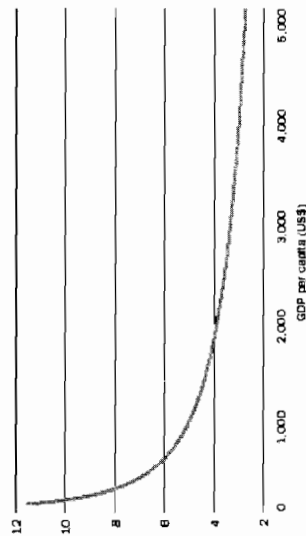
Starting in the 1990s, economists and social scientists began to study the relationship between development and conflict. A rich literature has become available including data sets, cross country statistical studies and country case studies. Excellent reviews of this literature have been published by Humphreys (2003), Humphreys and Varshney (2004), Stewart (2003 and forthcoming) and the University of British Columbia's Centre for Human Security (2003 and 2001). These studies have also generated considerable disagreement and this field of study has become known as one of controversies. This is unfortunate since the disagreements have taken attention away from many findings on which there is agreement, and the fact that these studies offer a great deal of insight that can help formulate better policies. The aim of this section is to identify those insights.

The data

Today's wars are increasingly fought within countries that are also the poorest in the world; over half of the countries affected by conflict since 1990 were low income countries, up from just over a third in previous decades. A third of all violent conflicts from 1990 to 2003 are located in Africa, the world's poorest region. The number of conflicts has been rising in that region since the 1990s, even though global totals have been declining from 1991. The world's poorest countries are affected by violent conflict: 9 out of 10 countries with the lowest HDI; 7 out of 10 countries with lowest GDP; 5 out of 10 countries with lowest life expectancy; 9 out of 10 countries with the highest infant

Figure 1

Rising national incomes reduce the risk of civil war
Predicted probability of observing a new conflict within 10 years (%)



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

Source: Research undertaken by Marston Humphreys, Columbia University, using data on GDP from World Bank, 2004a and on civil war onset from PRIO/Duke University, 2004.

Source: UN Millennium Project

mortality and child mortality rates; and 9 of the 18 countries whose HDI declined in the 1990s. (UNDP 2005)

One of the most striking findings of recent studies has been the strong statistical correlation between low levels of GDP per capita and the risk of conflict, as graphed in figure 1 below. (Collier and Hoeffler, 2001; Collier and others, 2003; Elbadawi and Sambanis, 2002; Fearon and Laitin, 2003; Hegre et al 2001) Economists estimate that the risk of war rises by three times for a country with a per capita income of \$1,000 compared with a country where per capita income is \$4,000. Not just levels but the rate of growth of GDP is also inversely correlated with the risk of conflict: twice as high for a country with a growth rate of 6% compared with a country whose growth rate is +6%. (Humphreys 2004 with reference to Fearon and Laitin, 2003)

Consistent with these findings on poverty as a cause of conflict is a recent study by Milanovic (2005) which looks at causes of slow growth in the world's poorest countries over the last two decades. This study identifies war and civil strife as the single most important factor that explains slow growth,

counting for an income loss of about 40%, while poor policies and slow reforms played a minimal role, and democratization, education and health at- tainments had no or negligible effects.

Another strong statistical correlation is the high risk of conflict recurring in a society experiences internal war. These studies conclude that once a country experiences conflict, it can get trapped in a vicious circle of poverty undermining prospects for peace and conflict undermining prospects for development. (Collier and others, 2003; Stewart, 2003) This relationship has been explained by the negative consequences of conflict on development, but also by a number of development failures in poor countries that increase risks of conflict.

Poverty as a consequence of conflict

There is little if any disagreement that these correlations reflect in part the consequences of violent conflict on poverty - that conflict is development in reverse. Wars destroy and disrupt physical infrastructure, human capital, government capacity and services. They weaken and distort social capital. Civil wars undermine the economy, reducing economic growth, capital flows, exports, investments and savings. Income poverty rises as employment opportunities shrink and shift to the informal sector. Nutrition deteriorates with the disruption of food supplies. Diseases spread with population movements. These consequences have immediate human costs and also undermine the basis for development in the long term. (Stewart 2003 and UNDP 2005) Today's civil wars are particularly devastating to people because it is the it is civilians, not soldiers, who are the main victims. Recent wars have been particularly destructive: about a million died in Rwanda in 1994, the war in the Democratic Republic of Congo is estimated to have killed 7% of its population, and 2 million have died in Sudan over the last 2 decades.

While these consequences are inevitable, the outcomes vary considerably

from one conflict to another. Some countries do better to keep economic activities going, sustain government revenues and protect social expenditures, and thus mitigate negative consequences on both the economy and human survival. (Stewart 2003) For example, Indonesia, Nicaragua, Uganda and Sri Lanka have experienced significant conflict yet have continued to make progress on key social and economic indicators. One explanation for the outcomes is that the impact of violence is geographically contained, such as in Uganda and Indonesia, so national averages mask the declines in regions affected by conflict. But another explanation is that government policies that continue to provide services for people make a huge difference, as in the case of Nicaragua and Sri Lanka. (Stewart 2002) It therefore makes a difference that the national government not abandon their developmental role, and international donors resort to humanitarian relief efforts exclusively.

Poverty as a cause of conflict

A number of studies, including large research projects, have explored poverty as a cause of conflict to explain this statistical correlation. They have developed a number of theories around different factors to explain why poor countries are prone to civil war:

- low opportunity costs to taking up arms (Collier and others) ;
- weak state capacity (Fearon and Laitin) ;
- 'horizontal inequalities' and exclusion of cultural identity groups (Stewart) ;
- environmental pressure (Homer Dixon and the Toronto group) ;
- capture of natural resources (Collier) ;
- failure to manage spillovers from conflicts in neighbouring states.

Low opportunity cost to taking up arms - Collier and others argue that in situations of economic stagnation and high incidence of poverty, people have

little to lose in waging war. In particular, in periods of stagnation, there would be larger numbers of disaffected, especially young men, who could be more easily mobilized to join armed rebel groups. This thinking also underlies the youth bulge explanation advanced by Cincotta among others that a demographic structure that has a high proportion of population in the 15-25 age group is highly correlated with the risk of conflict.

Weak states - Fearon and Laitin argue that it is weak state capacity, a common condition of low income countries, that is driving the correlation between low income and risk of conflict. Weak states are less able to protect themselves against insurgency, or to deploy more peaceful means to resolve conflict and prevent the onset of conflict, or to resolve local disputes when they arise. Weak states are also less able to fulfill their minimum obligations to the population, to maintain security and provide basic social services, and prevent gross violations of human rights. This situation leads to a breakdown in the social contract between the government and the people. Some might be tempted to go further and argue that lack of democracy would worsen the plight of weak states. Collier shows that while democratic political processes could be expected to resolve these discontents more peacefully, but there is little empirical evidence to support this argument. In fact, statistical analysis shows an inverse U-shaped relationship; the risk of conflict is low in both very oppressive and fully democratic regimes. (Collier and others, 2003)

Horizontal inequality and exclusion of ethnic or religious groups - Stewart and others argue that historically entrenched grievances that result from a long history of 'horizontal inequalities' or the exclusion of ethnic or religious groups from economic, political and social opportunities can escalate into violent attack on the state. This theory offers an explanation for ethnic conflicts

that goes beyond the intuitively appealing idea that deep rooted 'primordial' identity and hatred for other groups give rise to war. While many recognize the significant empirical evidence for this theory from both cross country analysis and qualitative case studies, skeptics question the quality of data and point out measurement challenges. (Centre for Human Security, 2004). Critics also argue that many excluded groups do not take up arms.

Environmental pressure and competition over resources - Homer-Dixon and the 'Toronto Group' argue that struggles over resources in the context of environmental deterioration can escalate into civil war, popularly known as the theory of 'green wars'. As population growth puts pressure on the environment, people migrate. Local communities compete with migrant groups for increasingly scarce resources. Critics of this analysis argue that people fight over abundant, not scarce, resources. (Stewart 2003 reference to Fairhead)

Capture of natural resources - Collier and Hoeffler found dependence on primary commodities increases risk of conflict. When a country is rich in mineral resources such as diamonds, rebel groups are able to raise funds to finance their activities. The control of these resources then become an incentive in itself that fuels conflict. Moreover, rebel groups can mobilize support by galvanizing public resentment over the expropriation of these benefits by the ruling elite. When rebel groups get access to such natural resources, they are able to finance their activities. Corporate corruption becomes another facilitating factor. Poor countries with weak capacity are less able to manage these negative dynamics.

Neighborhood effects - Several authors argue that spillovers from neighbouring countries can be a significant factor. Seybolt found that in 2002, 11 of 15 conflict cases were in fact spillover cases. (Seybolt, 2002). Three

mechanisms can in turn explain these spillovers: economic disruptions that lead to slower growth (Collier et al, 2003, Murdoch and Sandler, 2002); 'demonstration effects' ethnic grievances developing into armed rebellion; and trans-border population movements and illicit activities. Poor countries with weak state capacity are vulnerable to these spillovers because they are less able to manage the consequences. They are less able to absorb refugee populations, or resist getting involved in illicit trade in arms and minerals.

Implications for the international development agenda

There is a lively debate over these different theories and conflict studies has become known as a field of controversies. Differences of view are not surprising in this field of study given the methodological and conceptual difficulties that are intrinsic to it. First there are major methodological problems in measurement. Several sources exist for cross country data each of which uses a different set of definitions and measures. Country case studies offer another source of data and qualitative findings, but do not always offer consistent findings as the cross country data. Second, explaining conflict requires an understanding of human motivations that lead people to take up arms. While some explanations are constructed around group motivation and conflict between groups while others see private motivation for individual gain as a driving motivation.

Despite disagreements on the causal explanations, these studies all agree that in low income countries with stagnant growth and progress, there are developmental failures of different kinds that make conflict difficult to contain. They all agree on the critical importance of addressing developmental failures that increase the risk of conflict. Many of the dynamics revolve around a common factor of states that are too weak to govern effectively. It is also important to see these different explanations as complements rather than contradictions. They are not mutually exclusive. In fact, while many of

these explanations draw on cross country data, each conflict is historically unique, and no single factor can be expected to explain all conflicts, nor even one. Not all countries with any of these seven characteristics discussed in this paper are in conflict. But these research results identify important developmental situations - or failures - that raise the risk factor of a country to violence breaking out or recurring.

The main policy lesson from this decade of studies is that conflict prevention is a critical component of any national development strategy, as it is of the international development agenda. The research findings point to several factors - development failures - that should be assessed as a potential root cause of conflict, and addressed as a policy priority.

2 Aligning International Development Priorities - More Aid for Peace

These research findings have important implications for global development priorities. First and foremost, they indicate high priority for low income countries of the world which are stagnating economically and where governance is weak. Second, addressing development failures that are identified as sources of vulnerability would be a policy priority, namely ethnic inequalities and exclusion, youth unemployment, environmental deterioration with certain population dynamics, and weak governance. Third, countries where neighbours are in violent conflict need special assistance to address spillover effects. Fourth, support to development continues to be important even while a country is in full swing of civil war. Sustaining the economy, maintaining social services, and ensuring that people do not lose their basic entitlements to employment, food, healthcare make a difference to mitigating the poverty impact of conflict. But all too often, the government and the international community, tend to abandon their developmental roles.

These priorities for reducing vulnerability to violent conflict are barely reflected in the current international development agenda.

The dominant paradigm - reward the good performer

Over the last decade, increasing attention has been paid conflict related issues in development cooperation. However, this has been a response to the increasing number of countries experiencing civil war, rather than incorporating conflict prevention objectives more generally in the overall development agenda. Thus, from El Salvador to Rwanda to Afghanistan As international aid agencies were faced with the challenge of post conflict reconstruction, new types of programmes were developed such as post-conflict reconciliation or demilitarization and integration of ex combatants. Resource allocation to these programmes increased sizeably. Many donor agencies, such as UNDP, developed specialized capacity in these areas. But these new policies for post-conflict situations have developed in parallel to and separately from, the recent initiatives to rethink aid architecture, improve its effectiveness and revitalize support and commitment in donor countries. This initiatives led to the 'Monterrey consensus' that emerged from the UN Conference on Financing and Development held in 2002 in Monterrey. (UN 2002).

Two key features of this framework include a focus on poverty reduction as the central policy objective, measured by the achievement of the Millennium Development Goals, and a new focus on ex-post conditionality to ensure aid effectiveness that can be characterized as 'reward the good performer'. Donors promise additional resources to countries that demonstrate commitment to implement reforms and policies for a well functioning market economy, poverty eradication, and to strengthen its institutions and governance. This model - 'rewarding good performers' - is a shift away from ex-ante conditionality for policy reform. It is a result of concern in the donor

community to show results and demonstrate effectiveness in aid spending in the context of fall in political support for aid in the donor countries, and the poor experience of conditionality in the 1990s as a tool of policy change. Influential research on aid policy showed that ex ante conditionality did not work and that aid is only effective in contributing to economic growth when countries had sound policies. (Burnside and Dollar, 2000; Collier and Dollar, 2004; Mosley et al. 2004)

This emphasis on performance is not surprising since donor countries faced increasing difficulty in mobilizing political support for aid as a budget priority during the 1990s. Flows of official development assistance (ODA) experienced a secular decline. Criticism of aid as waste of resources grew. There was increasing pressure to justify aid as being used effectively as an effective method to deliver tangible results. The problem, however, is that this model marginalizes the most needy countries, and those most at risk. Countries with weak governance and poor economic performance are the most difficult countries to help but ones that need the help most. These countries are a priority for the security agenda, if not for the growth agenda.

Decline in aid flows to fragile states

It is therefore not surprising that data show a trend for less resources are being allocated to 'fragile states'.¹ A recent analysis by DFID compares aid flows to the less well performing countries (bottom two quintiles of the world Bank's country performance index or CPI) against flows to the well performing countries (top two quintiles of the index). Over the period 1996 to 2001, percentage allocation of aid flows to the least well performing states declined while it increased for the well performing countries. (DFID, 2004.) The poor performance countries received only 14% of bilateral aid whereas the 'good performers' received two thirds of all aid. Moreover, they receive less aid than would be expected on the basis of need. Recent studies also find that these

countries are not only underaided but that aid flows are twice as volatile. Among these countries, post-conflict countries receive large volumes of aid, others tend to be under-aided, especially when they are very large or very small, have a small number of donors, but also very poor and very poorly governed. (McGilvray 2005, Levin and Dollar 2005) These trends exacerbate the historic concentration of aid flows to the middle income countries. (Sagasti et al., 2004; OECD 2005).

Another concern is that the security agenda itself is driven by the war on terrorism, and that this would take resources away from poverty reduction goals and to low income countries in general, in order to support to 'front-line' states such as Afghanistan. Donors might also be tempted to use development funds for the state security sector (military and police). A study by Woods (Woods and Research Team, 2005) examined recent financing trends of the largest donors and found little evidence of resources being diverted, since most of the new funding for Afghanistan and other 'front line' states came from supplementary appropriations. However, as the paper points out this does not mean that compromises would not be made in the future since supplemental appropriations by nature are a temporary solution to an urgent need. Donor agencies still need to address the problem of how to allocate resources in response to pressures to support regimes that are important in the global fight against terrorism.

New attention to fragile states

In the years since Monterrey increasing attention has begun to be paid to countries that are not good performers, termed 'fragile states', no doubt propelled by new concern with global security. (OECD 2004; OECD 2005)

The concept of fragile states itself is ambiguous. While there is no formal definition, the concept covers countries that are unwilling and/or unable to improve governance. A standard that is most commonly used in the growing

number of studies and debates is the two bottom quintiles of the World Bank's Country Policy and Institutional Assessments (CPIA) that incorporates policy for economic management, structural policies, social inclusion and poverty reduction, and public sector management and institutions. Taking data for the period 1999-2003, this would include 46 states containing 870 million people or 14% of the world population.

A consensus policy framework is still in the making as are individual bilateral approaches. The March 2005 DAC High Level Meeting resolution outlines the main elements; support to state-building and delivery of social services, greater harmonization of donor efforts, and giving special attention for the special needs of these countries. (OECD 2005) The US policy emphasizes the global security threats that fragile states pose while the UK policy emphasizes the poverty challenges. But both emphasize policy approaches are to meet basic needs, support domestic governance reforms, and exercise 'good donorship'. They both propose aid approaches that exclude budget aid, favouring project aid, humanitarian aid, and working with NGOs rather than government agencies (DFID, 2005; McGilivray, 2005). The drawback of these approaches is that they tend to substitute for rather than strengthen government services, thus further eroding the capacity of the state which is a cause of poor governance.

Neither argues for more aid to fragile states as one would do if the peace agenda were to drive allocation. As noted above, one of the consistent findings of recent research is the vulnerability of countries that are very poor and have weak institutions and governance, and the important role that aid can play. Aid that can make a difference in these situations are a good investment in conflict prevention. And the economic and social returns to aid in fragile states may not be as high as in the good performing states, but the peace returns to may be higher (Collier, 2002). But this merely means that the development community needs to find approaches to making aid more effective in

these difficult contexts.

3 Aid for Development and Peace - Reconciling the Contradictions

Although development aid has been conceptualized to neatly remain in the socio-economic domain, in reality, by virtue of the fact that it brings sizeable resources and international endorsement, it cannot avoid becoming a part of the internal political dynamics of a country. One of the most important lessons of the last decade has been to recognize that aid can never be neutral. Aid has significant consequences on political dynamics in the recipient country, especially in low income countries that are highly dependent on aid. Development aid can contribute to dynamics of violence, or to the dynamics of peace in several different ways, before, during, and after violence. (Uvin 1999) Much of these consequences are 'unintended' as donors act without foreseeing them. At the same time, sanctions, the international instrument for global security, conceptualized to change political dynamics, has huge social and economic consequences. As summarized in Table 1:

- aid can have unintended consequences on perpetuating conflict;
- aid can be a powerful tool for peacebuilding;
- aid can provide incentives for conflict prevention;
- aid can promote development even during war;
- sanctions can have devastating impact on development.

Aid perpetuating conflict

Many well documented studies of conflicts from Rwanda, Afghanistan to Sierra Leone have argued persuasively that both development aid and humanitarian relief aid, during, before and after violent conflict, represent financial resources and influence that can reinforce tensions and repressive behaviour. (Anderson, 1999; Uvin, 1998) In pre-conflict situations of high

social and political tensions, these resources which are particularly significant in poor countries that are aid dependent, can help parties in conflict. During periods of violence, these effects are more stark: humanitarian assistance to provide food, shelter, health services in conflict zones can worsen tensions between groups, and risks strengthening the leadership of warring factions.

Aid as a tool for peacebuilding and conflict prevention

Aid can also be used intentionally for peace. In situations of rising tensions, aid can be applied deliberately to shift the dynamics in favour of reducing tension. It can act as an incentive to influence the behaviour of repressive regimes, to help strengthen the pro-peace actors capacities, changing relations between conflicting actors, or changing the socio-economic environment in which conflict and peace dynamics take place. It can strengthen the capacity of national actors such as human rights training of the military and police.

In the long term, aid can help address some of the strongest channels that link poverty and conflict as described in the first section of this paper: horizontal inequalities and exclusions of ethnic and other identity groups, weaknesses in governance and civil society, and poor management of natural resources, all of which increase the vulnerability of countries to lapsing into armed conflict and ultimately to state failure. Aid can promote greater socioeconomic and political inclusion of marginalized groups contributing to reducing the horizontal inequalities that feed grievance. Aid can help develop institutions of the judiciary, the media, civil society organizations that promote equity and justice. Lack of state capacity in delivering basic social services is a critical weakness that undermines the legitimacy of the state. (OECD 2004)

Aid as disincentives against violence and preventing conflict

Donors can use disincentives to violence by threatening to cut off their aid. Donors withdraw in protest against government policies or actions that are repressive or corrupt and willfully neglect peoples' needs. Recent examples include protests against corruption and lack of transparency and accountability in governance as in Kenya, or protests against a range of human rights violations and poor economic management in Zimbabwe, and protests against curtailment of democratic institutions in Nepal.

The effectiveness of these measures is uncertain. One study commissioned by the OECD concludes that conditionality rarely works. (Uvin, 1999) Donor coordination is clearly important for these incentives for peace and disincentives for violence to take effect, but is often lacking. Much more systematic analysis is needed on the impact of aid conditionality and aid withdrawal. There is no comprehensive study that has been carried out that looks at the impact of aid withdrawal on its intended purpose, but also the broader impact on the population and longer term development of the country.

Withdrawing aid is a diplomatic statement of protest. Donor agencies are under pressure from their own public who object to supporting human rights violations, corruption, and repression. Using aid as an incentive or disincentive can also be useful in obtaining one shot changes but not necessarily as a means of effecting longer term change.

But withdrawing aid also incurs an opportunity cost for building longer term safeguard for peace. Aid contributes to preventing state collapse where no state is the worst of all situations for human well being. But little aid goes to countries with weak states because of the logic of aiding good performers to ensure that aid has most impact.

Donors all too often withdraw in situations of rising political tensions or when governments engage in increasingly unacceptable behaviour. While the socio-economic consequences are not as heavy as comprehensive sanctions,

there is nonetheless a large opportunity cost to development. Humanitarian assistance only mitigates the immediate human suffering but development aid can make a difference to maintaining socio-economic policies that protect human development.

Aid for development during conflict

Much more needs to be understood about what kind of approaches work best for longer term development in 'fragile states'. Current debates, as reflected in the January 2005 DAC meetings, and in the policy frameworks of the UK and US emphasize building democratic governance by supporting institutions such as the judiciary, and on humanitarian assistance and action on the ground, such as digging wells. One line of thinking is to avoid government agencies and rely on NGOs so as to ensure that assistance reaches target populations and areas. But this poses a dilemma. Substituting for government would undermine long term capacity building. How aid can do that remains a major question mark. Some donors are beginning to recognize this problem with new approaches to integrate capacity development in countries such as Timore Leste and Afghanistan.

Economic sanctions - that target the wrongdoers, not the people

Until the 1990s, there were only two cases of UN sanctions (South Africa and Southern Rhodesia), but their use increased in the 1990s, mostly in developing countries with internal conflicts. The experience of the 1990s has shown sanctions to be highly problematic for three reasons. First is humanitarian and developmental; it has devastating consequences for ordinary citizens and destroys institutions that are necessary for longer term development. Second, sanctions have spillover effects on third countries that depend on trade routes through the countries in question. Third, sanctions are a weak instrument in achieving the policy target of changing the behaviour of a regime. In fact,

they can even have the perverse effect of strengthening rather than weakening the ruling elite.

Extensive analyses of the 1990s sanctions in Iraq, Haiti and elsewhere conclude that the most adverse impacts of sanctions on ordinary people result from comprehensive sanctions because they have deep and far-reaching macroeconomic impacts that destabilize and weaken the economy. (Courtright and Lopez, 2000; Gibbons, 1999) These economic disruptions not only lead to failures in health care and food supplies that directly compromise survival, but to closing of businesses, layoffs, roads that do not get repaired, buses that do not run, electricity blackouts, and so on. They lead to social dislocation as families become desperate to survive. The most ironic consequence of sanctions is the perverse political impact it can have on the behaviour of the ruling elites. The ruling elite can blame the international community for the deteriorating conditions in the country while monopolizing smuggling. Smuggling then turns into an incentive rather than a disincentive to the ruling elite to continue their hold on power through repressive means. Comprehensive and trade sanctions effectively penalize the population of the country while the target is the political elite.

These conclusions are now widely accepted, and have led to reform sanctions regimes and put in place 'targetted sanctions' aimed at specific actors and their most vulnerable activities, such as travel bans and freezing bank accounts that would undermine the resources and activities of political leaders and their key supporters. The key drawback of targeted sanctions is that they are difficult to design and implement. Requirements include careful preparation and design based on an analysis of the vulnerabilities of the ruling elite, then monitoring implementation by tracking flows of goods, capital, travel, and measures to penalize sanctions busting. These challenges are huge, requiring significant reforms and additional capacity in the UN secretariat.

Despite these drawbacks, sanctions will no doubt continue to be an important instrument since this is the only non-military tool of international intervention in the face of unacceptable behaviour of regimes that patently breach human rights and international law. As the High Level Panel notes 'In dealing preventively with threats to international peace and security, sanctions are a vital though imperfect tool. They constitute a necessary middle ground between war and words when nations, individuals and rebel groups violate international norms, and where a failure to respond would weaken those norms, embolden other transgressors or be interpreted as consent.' (UN 2004) To make them work requires major new initiatives to equip the secretariats of the UN and other bodies to design, monitor and implement targeted sanctions that would effectively change behaviour.

4 Reconceptualizing Aid for Human Security: New Priorities and New Approaches

While we now know more about poverty as not only consequence but also cause of war and civil strife, our paradigms for development cooperation have not caught up to the implications, leaving many contradictions. The current consensus agenda for development cooperation not only ignores the dynamics of poverty and conflict but its logic leads to policies that are perverse, doing the opposite of what is needed in terms of:

- priorities for aid allocation among countries;
- criteria for evaluating aid effectiveness;
- aid approaches: instruments and methods for fragile states

Reconceptualizing allocation priorities

The current allocation policy built around the logic of 'rewarding the good performer' marginalizes fragile states when these are the states most in need of international support, and where aid can have high return for both

development and peace. As a recent study by Picciotto and others argue, the logic of rewarding the good performer assume that existing policies cannot be changed by donor engagement, that aid cannot be used to minimize the effect of poor policies, and that governance and policy, as defined by the Bank's IPA measure, determine aid effectiveness. (Picciotto and others, 2006). A more case by case assessment of possibilities, while at the same time that aid to fragile states will always be full of risk. They propose that a 'venture capitalist model' of aid allocation. This study reviewed the experience of aid in fragile states and show that only 58% of them succeeded, but the average returns were high.

Reconceptualising aid effectiveness

'Concern with 'aid effectiveness' drives much policy debates in aid today, quite understandably. But aid effectiveness is for now defined in terms of economic growth, and the research that has been at the basis of policies aimed at aid effectiveness define goals of aid as growth, without reference to conflict prevention as a goal.

If conflict prevention is both an end in itself but also a means to human development, aid can be as much an investment conflict prevention as in economic growth. Its effectiveness should be judged not only against the economic benchmark but against contribution to building democratic governance. Aid to Tanzania in the 1980s was declared an unmitigated disaster by the World Bank study *Does Aid Work?* that pointed out that millions spent in building roads were "washed away" by poor government policies that did not provide for maintenance. But that aid may have been important for the lead that Tanzania has in educational attainment among low income countries, and in the country's progress towards democratization.

By standard efficiency criteria, aid for Tanzanian roads may have had low returns in the absence of weak macroeconomic policy and administrative

capacity. But even badly maintained roads would be better than none, particularly if they helped keep communications open to the hinterland, responded to the needs of otherwise neglected populations. Tanzania has been less successful than its neighbours by measures of GDP growth, but more successful by measures of social indicators. It is a poor country that enjoys more social peace and stronger democratic governance than its neighbours.

If conflict prevention were defined as a goal, several important principles and practices would be challenged. The principle of political neutrality would need to be redefined. Policies of political neutrality, if meant politically blind, can unwittingly fuel conflict. The common practice of limiting development aid prior to conflict, withdrawing during conflict, make sense when the objective is to use aid effectively for development, but does not help prevent conflict. Intuitively, aid during violent conflict may would appear to be a total waste. But evidence shows that economic and social investment in health, education and social infrastructure can mitigate the human costs of conflict and protect longer term development.

Reconceptualizing approaches to fragile states

Central to the dynamics that link is the fact that fragile states have weak capacity. Current debates about approaches to fragile states attempt to go around the state to deliver services to people which ironically further weakens the state.

To develop better policies for aid that is effective for building peace, more empirical research is needed to develop methodological frameworks and build evidence on aid effectiveness for conflict prevention that would supplement the useful evidence and debates that have been generated on aid and economic growth. Normative criteria for aid allocation for human security needs a new study that looks at aid effectiveness against a broader set of factors that are important for conflict prevention and peacebuilding such as strengthening

democratic governance, and reduction in horizontal inequalities among ethnic or other identity groups. A new set of research that has the scope and quantitative and qualitative depth to provide authoritative assessment of aid effectiveness for a broader set of development aims would be useful in moving international consensus on aid to achieve not just development but also peace-building objectives.

The policy agenda outlined above is only recently and rarely being brought into development priorities; the recent report of the UN Millennium Project report on achieving the MDGs is an important example of a study that incorporate a conflict prevention agenda as part of a development strategy. (UN 2005)

Ultimately, without a new paradigm, it will be hard to align the agenda of peace with the agenda for development, let alone integrate them. Freedom from fear has been defined as security of national boundaries in the paradigm of global security agenda. Freedom from want has been defined as growth of national economies in the paradigm of the global development agenda. Freedom from fear and freedom from want, together with the freedom to live in dignity, are three pillars of the international agenda because they are central to human well being. Unless a paradigmatic shift can be made to define security and development as concerned with human well being, it would be difficult to shift the disjointed agendas for peace and development to one that coheres, and where two sets of policies would converge. Applying the logic of human security, and its central focus on the individual as opposed to the state would go much farther than this paper has done in addressing many more gaps between the historical logic of security as security of national borders and the logic of development as economic growth. It would lead to a comprehensive reconceptualization of international development.

Many elements are suggested in an important recent study commissioned by the Swedish Government and authored by Picciotto and others propose a

more comprehensive approach to international cooperation for human security, encompassing both 'developmentalizing' security and 'securitizing' development. Their proposals are captured in the idea of eight Millennium Security Goals, to complement the Millennium Development Goals as a more balanced agenda for the 21st century. These would include:

- Goal 1. Reduce the number, length and intensity of conflicts between and within states.
- Goal 2. Reduce the number and severity of terrorist attacks.
- Goal 3. Reduce the number of refugees and displaced persons.
- Goal 4. Reduce trade in small arms
- Goal 5. Reduce the extent and severity of core human rights violations.
- Goal 6. Protect civilians and reduce women's and children's participation and victimization in war.
- Goal 7. Reverse weapons proliferation and achieve progress towards nuclear, radiological, chemical and biological disarmament
- Goal 8. Combat trans-national crime and illegal trafficking.

Though there are many gaps in knowledge about the dynamics of development/conflict nexus, and much more research is needed. However, the larger gap is between what we already know about failed development as a cause and consequence of conflict, and implementing the policy lessons.

Table 3-1 International instruments for development and security

| Aid pre conflict | Tool for Peace and security | Tool for Development | Unintended impact for security | Unintended harm for development |
|---------------------|---|--|---|---|
| | Political conditionalities for peace and disarmament. Pressure for democratization, end of violence and violations of human rights. | Aid for development financing for poverty reduction, economic growth, human development. | Aid is part of political dynamic. | Part of political and social fabric especially in aid dependent countries. Can reinforce inequality, exclusion. |
| | Inducements for more inclusive and egalitarian political processes. | | Politically blind aid can reinforce rather than reverse repression. | |
| | Support to democratic governance including NGOs, free media, human rights training, etc. | | Failure to signal disapproval. | |
| | | | Aid to maintain development contributes to maintaining regime in power. | |
| Aid during conflict | | Humanitarian aid important for reducing human and developmental costs. | Can become hijacked by warring parties as tools of oppression. | Can fail to reach intended beneficiaries. |
| Aid post conflict | Peacebuilding through supporting democratic governance, demobilization, | Aid for peacebuilding and conflict prevention. | | |
| | | Aid to reduce horizontal | | |

| | | |
|---|--|--|
| Multiculturalism in ethnically divided societies. | inequalities and exclusion. | Aid to strengthen democratic governance. |
| Aid in non-conflict country | Demobilization, reintegration. | Poverty oriented development aid |
| Sanctions before conflict | Governance oriented development aid | Inadequate aid leaving country vulnerable. |
| | Embargoes on trade, finance, travel intended to change ruling party's oppressive policies. | Not consistently successful. |
| | | Comprehensive sanctions and trade sanctions have |
| | | disastrous consequences on human lives through macroeconomic, institutional, social impacts. |

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- 1) This paper is Notes: was initially prepared as a contribution to the International Peace Academy (IPA) project on the poverty conflict nexus, to be included in its forthcoming publication *Critical Publications*, edited by Necla Tschirgi and Francesco Mancini. I am grateful to these editors and participants in the IPA project and conferences for their comments on the paper and stimulating debates on this theme.
- 2) See Centre for Human Security, 2003 for an excellent summary of issues.
- 3) Stewart classifies explanations of causal links as based on group motivation or private motivation. See Stewart, 2003 and Stewart forthcoming.
- 4) There is no formally agreed definition of 'fragile states' but most studies use the bottom 2 quintiles of the World Bank's Country Performance Index rankings. This would include, for 1999 2003, Afghanistan, Angola, Azerbaijan, Burma, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Comoros, Cote d'Ivoire, Dem Rep of Congo, Djibouti, Dominica, Eritrea, Ethiopia, The Gambia, Georgia,

Guinea, Guinea Bissau, Guyana, Haiti, Indonesia, Kenya, Kiribati, Lao PDR, Liberia, Mali, Nepal, Niger, Nigeria, Papua New Guinea, Rep of Congo, Sao Tome and Principe, Sierra Leone, Solomon Islands, Somalia, Sudan, Tajikistan, Timor Leste, Tonga, Togo, Uzbekistan, Vanuatu, Yemen and Zimbabwe.

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