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# Social and Economic Policies to Prevent Complex Humanitarian Emergencies

Lessons from Experience

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The United Nations  
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# **Social and Economic Policies to Prevent Complex Humanitarian Emergencies**

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This publication is a policy-focused brief drawing on UNU/WIDER's research project The Wave of Emergencies of the Last Decade and the resulting manuscripts: *The Origins of Humanitarian Emergencies: War and Displacement in Developing Countries*, edited by E. Wayne Nafziger, Frances Stewart, and Raimo Väyrynen; *Weak States and Vulnerable Economies: Humanitarian Emergencies in the Third World*, edited by E. Wayne Nafziger, Frances Stewart, and Raimo Väyrynen; and *War and Destitution: the Prevention of Humanitarian Emergencies*, edited by E. Wayne Nafziger and Raimo Väyrynen.

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Afghanistan: victims of war. A man and a boy support each other as they learn to walk with their artificial limbs. Photo: UNICEF/5526/John Isaac

## FOREWORD

Between the early 1980s and the early-mid 1990s, the number of humanitarian crises escalated from an average of 20-25 to about 65-70 a year, while the number of people affected rose more than proportionately. The International Red Cross now estimates that the number of persons involved is increasing by about ten million annually. As a result, scores of people have been left dead, starving, displaced, homeless and hopeless, while many others could be affected in the not too distant future unless preventative corrective measures are urgently introduced. The surge in emergencies cannot be attributed to an increase in natural disasters but rather to factors which are man-made, and a growing proportion of them are Complex Humanitarian Emergencies (CHEs), a phenomenon which has become perhaps the most serious threat to human security in the present world.

Despite attempts at controlling this new scourge by national and international authorities, there are no signs that this trend is likely to be reversed any time soon. Even traditional *ex post* responses now tend to lag behind, as crudely demonstrated by the lukewarm international response to the crises of Rwanda, Burundi and Kosovo. In addition the current approach—centred on the notions of peace-making and peace-keeping—absorbs ever increasing volumes of aid for military operations, but has produced limited results in terms of human welfare and political stability.

So far, analysis of the structural causes of CHEs, and of ways to prevent them early on, has mainly focused on factors like ethnicity, the collapse of the Soviet Bloc, the vanishing of aid and so on. We at UNU/WIDER believe that, while not irrelevant, these explanations are partial at best, and that CHEs are caused to an important degree by failed development, political and institutional policies, as well as to botched responses to initial crises.

This excellent policy brief summarizes the results of an ambitious research effort, carried out during 1996-7, by UNU/WIDER with the co-sponsorship of the Queen Elizabeth House of the University of Oxford. It is directed at a broad audience and it attempts to emphasize in straightforward language and with numerous concrete examples the impact, among others, of key *ex ante* factors such as acute 'horizontal inequality' between social groups in the distribution of assets, state jobs, social services, and so on; the failure of political institutions and the ensuing crisis of the state; the protracted worsening of economic conditions; and external shocks. The analysis summarized in this policy brief also debunks some of the common beliefs recurrent in the literature in this area; e.g. that emergencies are caused by deteriorating environmental conditions,



competition for non-renewable resources and structural adjustment. While being by themselves an important source of economic hardship, their role in triggering CHEs is not borne out by the evidence.

If the identification of structural causes of CHEs carried out by our analysis will be validated by further work in this area, there should be some scope for shifting part of the response to their *ex ante* prevention by means of appropriate economic and social development policies, meaningful forms of foreign aid, a strengthening of essential state and civil society institutions and political institutional reforms. Concrete examples of such policies are given in this brief.

Much of the information in this area is still poorly documented, and the analysis of causal factors and policy remedies presented in this paper can be vastly improved. I believe this initial effort will help, even if only marginally, in dealing with one of the worst scourges of our times.

Giovanni Andrea Cornia  
Director, UNU/WIDER  
March 1999



## **1. INTRODUCTION**

Complex humanitarian emergencies have caused widespread death and suffering over the last two decades. While recent tragedies in Bosnia, Rwanda and Angola have made the world more aware of the terrible human toll involved, the international community has yet to develop effective policy responses to stem such crises.

The formulation of strategies for prevention of, and effective responses to, complex humanitarian emergencies (CHEs) is one of the most important challenges facing the international community today. This summary is an overview of the results of a two-year multi-disciplinary research project on *The Wave of Emergencies of the Last Decade: Causes, Extent, Predictability and Response* which was organised by UNU/WIDER, Helsinki and Queen Elizabeth House, Oxford. The research project comprised forty papers, including a dozen country case studies, addressing key dimensions of the crises (see Section 5). The subject of this study is a large and evolving one, covering a huge range of countries and situations. Obviously, one research programme cannot achieve definitive conclusions. Yet the ongoing nature of these crises and the massive human costs involved require that action be taken on the basis of current knowledge. It is in this spirit that this policy brief highlights the conclusions of the research together with the implications for the international community.

### **1.1 What is a complex humanitarian emergency?**

Complex humanitarian emergencies refer to deep social crises in which large numbers of people die from war, displacement, disease and hunger, owing to man-made disasters, although some may benefit.

There are three key definitional points about CHEs in the present study.

- First, CHEs are multidimensional phenomena that are not only accompanied by wars, but also by other forms of human suffering including forced migration, hunger and disease. The interaction between violence and poverty, particularly over a number of years, can lead to massive deaths. This calls for efforts to develop a broader set of indicators to gauge a humanitarian crisis, beyond the number of battle-related deaths.
- Second, CHEs are man-made (that is, natural calamities like the recent devastation of Central America, are excluded), although a natural disaster may act as a trigger to a CHE where conflict is ongoing.

- Third, CHEs are essentially political and politicised crises. Hence the motives of key actors need to be understood.

The concept of CHEs in the present analysis points to the multiplicity of threats to human security. It is consistent with the broader definition of human security recently proposed by the UNDP Human Development Report (1994) which encompasses death and suffering produced by means other than weapons, such as hunger, epidemics and threats to community identity. In situations of protracted, low-level violence, crises affect the supply of and access to food and basic social services, which often become instruments of power politics.

A key point about the nature of recent conflict—and indeed an important motivation for this study—is that since the 1980s in very few cases of conflict have states fought each other. The predominant type of military encounter in the mid 1990s is civil war. Inter-state rivalries nonetheless play a critical role in a number of cases, with interventions by foreign states in internal conflicts, including in Kashmir, Sri Lanka, Nagorno Karabakh, Lebanon and the former Yugoslavia.

## **1.2 The scale and geographic distribution**

CHEs have occurred on a massive scale in the twentieth century. An estimated 169 million people have been killed during this period in large-scale collective violence, including 17 episodes where more than one million people have been killed.

While the number of deaths in many contemporary armed conflicts may not be as large as the worst abuses of the twentieth century instigated by Stalin and Hitler, protracted warfare subjects civilian populations to continuing suffering. Moreover, a focus on the number of deaths risks alone neglecting some significant dimensions of crises. Hence the elements of hunger, disease and displacement are emphasised in this study of CHEs.

### *1.2.1 Manifestations of CHEs: deaths, disease, hunger and displacement*

The concept of CHE is operationalized in terms of the four scourges of humanity: war, disease, hunger and refugees. These scourges can be indicated, respectively, by the number of war casualties, under-five mortality, under-five malnourishment and the number of displaced people. The typology presented in Table 1 includes 27 contemporary cases of humanitarian crisis, which are ranked in approximate order of seriousness.

TABLE 1  
A TYPOLOGY OF COMPLEX HUMANITARIAN EMERGENCIES

	War	Disease	Hunger	Displacement	Type
<b>Acute</b>					
Afghanistan	x	x	x	x	acute
Mozambique	x	x	x	x	acute
Angola	x	x	x	x	acute
Somalia	x	x	x	x	acute
Rwanda	x	x	x	x	acute
<b>Serious</b>					
Liberia	x	x		x	serious
Burundi	x	x		x	serious
Sri Lanka	x	x		x	serious
Sierra Leone	x	x		x	serious
Sudan	x		x	x	serious
Ethiopia		x	x	x	serious
Eritrea*		x	x	x	serious
Myanmar		x	x	x	serious
<b>Violent</b>					
Bosnia	x			x	violent
Croatia	x			x	violent
Tajikistan	x			x	violent
Colombia	x			x	violent
Azerbaijan	x			x	violent
Armenia	x			x	violent
Georgia	x			x	violent
Iraq	x			x	violent
<b>Poverty</b>					
Niger		x	x		poverty
Nigeria		x	x		poverty
Bangladesh		x	x		poverty
Laos		x	x		poverty
Central African Repub.		x	x		poverty
India	x		x		mixed

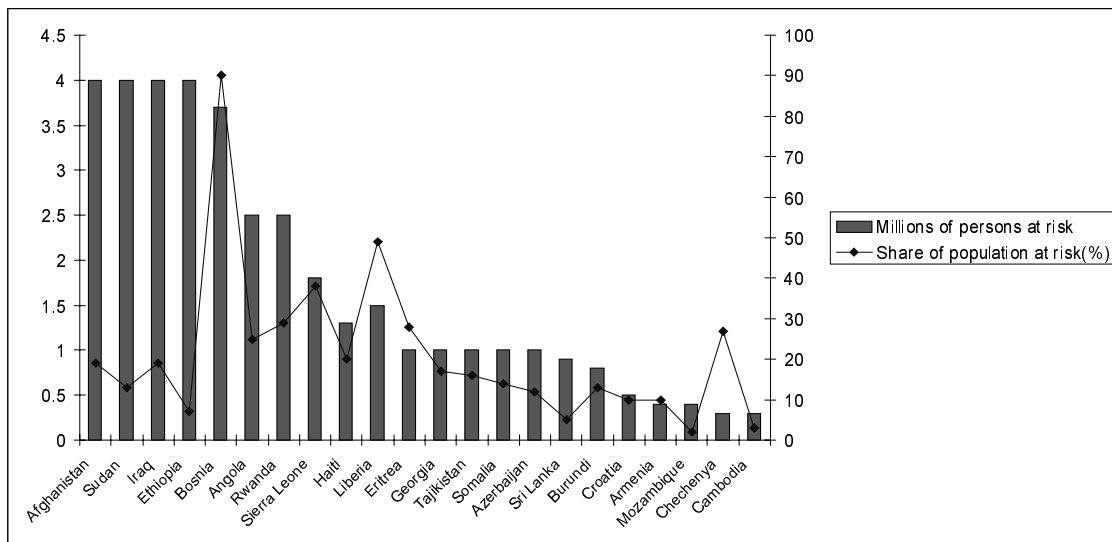
Source: Derived from Väyrynen, Raimo (1996), 'The Age of Humanitarian Emergencies', *WIDER Research for Action*, 25, WIDER: Helsinki.

The simultaneous occurrence of all four conditions produces an *acute* CHE: this is observed in five countries. The *serious* case is characterized by the concurrence of all but one of the scourges: eight countries are identified as such. As many cases again are characterized as *violent*—suffering war and displacement—or as suffering a *poverty* crisis, in terms of disease and hunger. The fact that poverty is at crisis levels in the last group of countries is a critical challenge for the

international community. However the focus of this research project is on those cases where war is present, combined with at least one other factor.

Another, perhaps more tangible, way to think about how CHEs are manifested is in terms of the numbers of people at risk in absolute terms, and as a share of the population. This is presented in Figure 1.

FIGURE 1  
PEOPLE AT RISK OF COMPLEX HUMANITARIAN EMERGENCIES



Source: Väyrynen, Raimo (1999), 'The Age of Humanitarian Emergencies', in, *The Origins of Humanitarian Emergencies: War and Displacement in Developing Countries*, edited by E. Wayne Nafziger, Frances Stewart and Raimo Väyrynen, forthcoming.

*Warfare* is obviously an important dimension of CHEs. It produces massive social and economic dislocation that is likely to increase the levels and depths of poverty and vulnerability in the society significantly. Throughout the past decade in each year there have been between 6 and 20 wars which resulted in at least 1,000 battle related deaths each year. Between 1988 and 1996, the following military conflicts amounted to 'wars' in at least two years: Afghanistan, Algeria, Azerbaijan, Angola, Bosnia, Colombia, El Salvador, Ethiopia (Eritrea and Tigray), India (Kashmir and Punjab), Lebanon, Liberia, Mozambique, Peru, the Philippines, Rwanda, Somalia, South Africa, Sudan, Sri Lanka, Tajikistan, Turkey, and Uganda. Conflicts were most frequent in Africa and Asia, totalling, respectively, 9 and 13 in 1995 and 14 in each in 1996. Estimates of the number of total conflicts are even higher, and ranged up to 49 in 1996, if one adopts a broader definition that includes intermediate and minor wars (with fewer than 1,000 deaths annually).

Estimates of the total number of people dying in the peak year in the 22 most murderous countries in the world between 1992–4 range from half a million in

Rwanda (1994), and 100,000 in each of the cases of Angola (1994), Burundi (1993) and Mozambique (1992). Scores of thousands of people were killed during the CHEs in a number of other countries, including several thousand in each of Afghanistan (1992), Sudan (1993), Somalia (1993), India (1992) and Azerbaijan/Armenia (1993).

As massive as the number of war casualties is, however, communicable *diseases* continue to afflict humanity to a much larger extent than deaths due to war. In 1993 almost 17 million people died of such diseases, representing about one-third of global mortality. There are many more millions of cases of disease. The incidence of disease worsens during CHEs, although measurement of this impact is difficult. Changes in child mortality are used to indicate the health impact of CHEs. The rates of child death have worsened in countries affected by CHE where levels were already among the highest in the world, including in Afghanistan and Sierra Leone. Deterioration on this front does not, however, require civil war, with Malawi, Guinea-Bissau, Burkino Faso and Mali being cases in point.

*Hunger* afflicts most parts of the developing world and in particular, Sub-Saharan Africa and South Asia. While hunger is endemic in many poor societies, stemming from poverty and inequality, wars, famines often occur with war because of the disruptions in food supplies, transport and markets, and incomes and employment. Recent cases of extreme hunger in war zones include Bosnia, Rwanda and especially Somalia, while Ethiopia was subject to war-induced famines in the 1980s. Conflicts are thus a major cause of acute hunger.

One indicator of access to food is the share of children under five who are underweight relative to their height. At least eleven countries of the countries which have suffered worst from child hunger have been also devastated by civil wars since 1975, specifically: Afghanistan, Angola, Cambodia, Ethiopia, Iran, Mozambique, Myanmar, Rwanda, Somalia, Sri Lanka and Sudan.

The number of *displaced people* has increased almost constantly since the 1970s. Specific forms of displacement, such as ethnic 'cleansing', have often become strategic objectives in civil conflict, especially in the former Yugoslavia and the Transcaucasian wars. Where the overall amount of displacement is large, people tend to be pushed abroad. External displacement characterized recent conflicts in Afghanistan, Rwanda, Somalia and Ethiopia. Internal displacement is especially visible in many African countries (the total number of refugees on the African continent was estimated to be about 3.7 million), as well as Bosnia, Iraq and Sri Lanka. Internal crises in populous countries are associated with internal repression and guerrilla activities against the government. The governments in Guatemala and Nicaragua forced native peoples suspected of supporting rebels into army-controlled camps.

## 2. WHY? CAUSES OF CHEs

Contrary to popular perceptions, CHEs do not have a single cause (such as ethnic or regional tensions or poverty). Rather, the causes are multiple, in which political and economic factors play key roles. In every CHE there is an interaction among several factors, with group perceptions and identity (normally historically formed), being enhanced by sharp group differentiation along political, economic and social lines. This has a key implication for policy—that is, action on any one front alone is not likely to work. For example, addressing economic inequalities without widening access to political participation, or conversely; or attempting to 'educate' people to change their views of their identity without changing the underlying inequalities among groups.

The analysis distinguishes between root causes, triggers and manifestations of CHE. The ways in which CHEs have been manifested were highlighted above. The WIDER/Queen Elizabeth House study shows that conflict usually occurs when some 'trigger' event occurs in a situation of underlying vulnerability to conflict, arising from persistent economic and political differences among groups. The trigger necessarily involves some change—such as a sharp worsening in relative deprivation of a particular group. Preventative policies need to address both the underlying causes and the 'trigger'.

### GROUP MOBILIZATION AND 'ETHNIC CONFLICT': THE CASE OF MATABELELAND

A key theme of the research is that conflict in the late twentieth century cannot generally be explained as an inevitable resurgence of tribal tensions. Conflict and ideas about ethnicity are contingent and political, and are constantly being reworked by a range of political actors. Hence 'ethnicity is the ideological form, not the substance, of the conflict'.

Post-independence Zimbabwe illustrates the pitfalls of jumping to the simple conclusion that ethnic antagonism is a product of state decay, and an inevitable cause of conflict. Conflict in western Matabeleland provinces in the 1980s resulted in the death of thousands of civilians; thousands more were beaten and starved. The effect of a succession of severe droughts in the region was worsened by deliberate government actions, including the closure of shops and suspension of food aid and other services in the region. During the conflict, ethnic antagonisms were hardened. But the roots of the violence lay in the ambitions of the ruling party, which sought to repress political opposition. The conflict nonetheless came to have profound implications for ethnicity, because the people of Matabeleland believed themselves to be discriminated against on the basis of tribe.

The diversity of backgrounds and disciplines of the contributing authors in the study provides a corresponding richness to the explanations of the causes of



conflict, and leads to some differences in emphasis. There are some critical themes and common findings, however, which can be highlighted as follows.

- **Group mobilization:** those who are involved must perceive some important ways in which they are differentiated from others. Often political leaders set out to create group consciousness in order to achieve a basis for power. This was illustrated by the way that differences between the Hutu and Tutsi were, possibly, created and certainly strongly enhanced by colonial and post-colonial governments in Burundi and Rwanda. Historic animosities have been exploited to enhance mobilization—a frequent theme in the case studies is that past history of violence makes present conflict more likely.
- **Inequality:** differences in actual underlying conditions with respect to political control and economic position facilitate the development of group identity and mobilization. Without such differences, group identification is likely to be weak and remain a cultural rather than political or conflict-creating phenomenon. The root causes that underlie CHEs revolve around unequal access. Unequal access among groups in the society, along a range of economic, social and political dimensions, constitutes *horizontal inequality*.
- **Individual incentives:** if a conflict is to be avoided or stopped, the motivation of the actors involved must be understood. A finding of many of the case studies is that conflict was intended as a means of private accumulation by leaders, with ethnicity—or other cementing ideology—being used as an instrument to gain support. Those who carry out the fighting may gain from looting and profiteering (as may others) in a way that is not open to them during peace. Rebel groups may tolerate or even encourage crime (for example where they lack the finance or ideology to impose discipline on followers). Conflicts which reflect a blurring of crime and war include Sierra Leone, Liberia and Somalia. Other conflicts have been more ideologized. One example of the latter is the economic ideology and practices under the Khmer Rouge, which led to annihilation of perceived class enemies and the strengthening of control over the populace through an 'empty stomach' policy.
- **Absence of attractive alternative sources of income:** to the extent that there are significant sources of income that would be seriously threatened by war, as in the private sector in Kenya, violence appears less appealing from a private cost benefit perspective. In Cambodia, the lack of opportunities for the newly educated provided potential leadership for the revolutionary movement. For followers, their role as soldiers offered an alternative to unemployment or very low income earning opportunities, less for the pay (often non-existent) and more for the possibilities of theft and looting. In Sierra Leone, civil war has seen repeated attempts at humiliation of traditional leaders by teenage fighters lacking status or adequate employment in their own community.

Where war is more profitable for individuals than peace, a political 'solution' alone may not end the violence.

## 2.1 Root causes

### 2.1.1 Horizontal inequality

Foremost among the root causes of CHEs is horizontal inequality, which is inequality among *groups* in the society. This differs from the usual indicators of inequality that measure differences among *individuals*. The *relative* position of groups is a more important determinant of conflict than their absolute position, although a general worsening in economic conditions for all groups may sharpen the risk of CHEs, as shown below.

Horizontal inequality has three broad main dimensions—economic, social and political—which are often mutually reinforcing. Each of these categories, which have several elements, is important in itself, but most are also instrumental for achieving others. For example, political power is both an end and a means to enhancing employment and income. Inequality in the social domain both reflects differences in incomes and tends to reinforce inequality by limiting the access of peripheral groups to economic opportunities. A key aspect is access to education; inequality in access to education leads to inequalities in income-earning opportunities, and is also caused by such inequality.

The relevance of a particular element varies according to whether it forms an important source of income or well-being in a particular society. The allocation of land is critical where agriculture accounts for most output and employment. Control of the military will be key where the military itself plays an important role in government decision-making.

The study showed that on political dimensions a high degree of horizontal inequality was virtually universal in CHEs, but less so in the two cases studied which had not developed into CHEs; i.e. Kenya and the Congo under Mobutu. In both these cases, political patronage had been widely though unevenly shared, albeit some important groups were left out. In all the other cases, political power and the benefits it confers were monopolised by one group. In some countries this was the majority (the Hutu in Rwanda; the Shona in Zimbabwe; the peasant class in Cambodia). In others, minorities controlled power, such as the Tutsi in Burundi, the dictatorships in Central America, the various strongmen in Liberia and Sierra Leone.

TABLE 2  
DIMENSIONS OF HORIZONTAL INEQUALITY

Dimensions of differentiation	Political participation	Economic Assets	Employment and incomes	Social access and situation
Elements of categories	political parties	land	government	education
	government ministers, senior	human capital	private	health services
	government ministers, junior	communal resources, including water	'elite' employment	safe water
	army	minerals	'rents'	housing
	parliament	privately owned capital/credit	skilled	unemployment
	local government	government infrastructure	unskilled	poverty
	respect for human rights	security against theft	informal sector opportunities	personal and household security

Source: Stewart, Frances (1999), 'The Root Causes of Emergencies: An Overview', in, *The Origins of Humanitarian Emergencies: War and Displacement in Developing Countries*, edited by E. Wayne Nafziger, Frances Stewart and Raimo Väyrynen, forthcoming.

An invariable consequence of unequal access to political power, was unequal benefits from state resources. In some countries, the president and a small coterie took a massive share for their own private accumulation—for example, the Duvaliers in Haiti; Mobutu in the Congo. In others, a broader elite benefited—the elite Hutu in Rwanda and the Tutsi in Burundi. Half of government investment in Burundi went to Bujumbura and its vicinity, from where the elite Tutsi came.

Government employment, elite jobs and the ability to earn rents were heavily biased in favour of the group in power. Where minerals resources were important, access to the revenues tended to be dominated by whoever was in political control, denying others access; e.g. Sierra Leone, the Congo. This greatly increased the economic advantages to be secured by political control. The desire to preserve these privileges was a clear motive for the frequent occurrence of state-sponsored violence directed at suppressing opposition. Where the state was not strong enough to suppress opposition but attempted to do so, violence from opposition groups was aimed at securing state control so as to generate these privileges for themselves.

In countries where the private sector is very small, control over the state may present almost the only source of enrichment. This is the case in the poorest countries where there are few private sector opportunities. In Burundi, the

government accounts for about two-thirds of salaried workers—the Tutsis were over-represented in public sector high-level employment, partly due to clan-related patronage but also because of the close relation between elite schooling and public employment.

In the absence of an effective state, private control over natural resources (Liberia and Sierra Leone) or of the drug trade (Afghanistan) essentially duplicates state control and battling for such control can become a source of violent conflict.

In most societies, land is the most important economic asset to which families aspire. Land inequality contributes to low incomes and high-income inequality and may be a key dimension of horizontal differentiation where land inequalities coincide with perceived group identities. Inequality associated with the distribution of land was a critical dimension of the conflicts in Central America, namely El Salvador, Guatemala and Nicaragua. Land inequality has worsened in a number of African countries as a result of individual titling. In Nigeria, since 1960, state officials have granted extensive tracts of land to friends, dispossessing many villagers from their customary land. Several countries, including Kenya, exhibit tensions arising from land disputes between pastoralists and agriculturists.

Biases in the provision of education and government infrastructure leading to horizontal inequalities were widely in evidence. Strong inequities dating from the colonial era were shown in Rwanda, Burundi and Cambodia. These were carried forward in the post-colonial era in Burundi and until the Khmer revolution in Cambodia. In Haiti and El Salvador the peasants suffered from very poor access to health and education, both relatively and absolutely. Education was an important element differentiating groups in Rwanda, Burundi, Cambodia, Kenya, El Salvador and Haiti. In Burundi and Rwanda privileged access to education goes back to colonial times. In Burundi it has continued with deliberate attempts to limit access to Hutu. Differential access to education both reflects differences in incomes and causes it, so it is key to the perpetuation in inequalities, as recognised in Burundi, where educated Hutu were targeted for killing in the 1970s.

High rates of poverty outside the elite governing group are seen in almost all cases of CHE. High rates of unemployment, especially in urban areas, has been linked to CHEs in Sri Lanka, the former Yugoslavia and Nigeria in the late 1960s. In the last case, political thugs were recruited largely from the ranks of the unemployed. And the large numbers of displaced and destitute persons in Eastern Nigeria, who had been driven out of their homelands, constituted a combustible group for the purposes of mobilization.

In Cambodia, during the rule of Sihanouk, economic opportunities were not commensurate with the rising levels of education of the population. This created a frustrated intelligentsia that was largely excluded from a productive role in the

economy or government, which in turn heightened the attractiveness of the Communist movement. The most profitable sectors of the economy (that had been largely nationalized) were operated so as to reinforce the privileges of the elite.

In Somalia, Siad Barres' authoritarian regime (1969–91) increased relative political and economic deprivation in a society that was already deeply divided by religion (between moderates and fundamentalists), region and dialect. Clan divisions constituted group identities which facilitated mobilization and increased the risk of violence and escalation.

Persistent economic failure makes it harder to sustain a system of clientelistic corruption, which may in turn create a downward spiral that ultimately sparks off conflict. In order to maintain incomes of the elite as the economy declines, corruption has to become more gross, thereby heightening the population's sense of resentment. Benefits to favoured groups/ regions may be maintained while the lack of provision and discrimination against the rest becomes more visible. In the Sudan, for example, additional depredations on the poor and politically marginalized groups were permitted as a way of retaining the loyalty of clients who could no longer be paid off directly.

### *2.1.2 Crisis of state legitimacy*

The WIDER/Queen Elizabeth House study points to a paradox in the role of the state. On the one hand, a strong and repressive state has often provoked violence leading to CHE. But an eroded state leaves a vacuum where violence can prevail. In either scenario, however, there is a crisis of state legitimacy that heightens the likelihood of the outbreak of a CHE. There is also a key interaction between state legitimacy and economic performance.

There have been a number of episodes of state-sponsored violence undertaken with the aim of suppressing opposition and maintaining power. Since the government has access to an organized force (police/army) and to finance, state terrorism can be an important source of humanitarian emergencies. This was the case, for example, in most of the major episodes of violence in Uganda, in Haiti, and in Iraq's suppression of the Kurds.

A detailed study of 17 cases of CHEs points to significant factors that heighten the risk of the outbreak of emergency. It is shown that, contrary to the popular impression of spontaneous violence (due to, e.g. the eruption of ethnic conflict), it is governments that usually launch the violence. In several cases politicides have been planned by governments well in advance of the CHE: this was the case in Rwanda in 1994, in Kampuchea (Cambodia) after 1976, and on several occasions in Burundi. Government-organised politicides have resulted in far more casualties than other types of conflict.

Deliberate state policies were a critical internal political source of vulnerability during the 1970s crisis in Cambodia under Pol Pot. Factionalism coupled with intolerance of political opposition and state sanctioned terrorism, including purges, in response to dissent. Elite factionalism was sustained by a high level of corruption to maintain allegiance, while lack of fiscal capacity on the part of the government increased the significance of local patronage systems.

The disintegration of the state is usually a long-term degenerative process, which may be brought about or enhanced by economic decline, as in several African countries. Such situations are also often characterized by what is known as predatory rule or rent-seeking. The regimes in Nigeria, Sierra Leone, Zaire and Liberia operated on the basis of coercion, material inducement and personality politics—a combination that tends to degrade the institutions of the state further. This adversely affected the efficiency of traditional state activities in the provision of infrastructure, like water, sewerage, roads and ports.

In several cases on the African continent the breakdown of official authority and institutional structures has enabled violence to prevail. Contemporary examples, where there is almost no central authority, nor government services and, in effect, no law, include Liberia and Somalia. In Somalia most of the regime's military arsenal was captured by opposition factions when state institutions and the economy collapsed. In both cases, the undermining of internal state authority has led to an era of war-lordism; the same appears to be the case in the former Soviet republic of Tajikistan. The fragmentation of Tajikistan following the collapse of the USSR has permitted criminal gangs, based on protection rackets and trade in drugs and arms, to dominate the economy and society generally.

A deterioration in basic public goods and services is often seen in countries where crises of state legitimacy occur. Sierra Leone is a case in point, with a decline in the provision of basic services—in particular, of the system of education and the transport infrastructure that had helped to bind the country together.

In Afghanistan, the attempt to impose a radical change in social and economic structures from above in the late 1970s set in motion a change of events which led to a disintegration of the state that has persisted until the present day. There were frequent purges of officials thought to be disloyal and the army largely disintegrated. Attempts by the Soviets to reverse this trend during the occupation had only temporary and partial success, as violence grew, with massive support from abroad. After the Soviet withdrawal, there remained no national institutions, and the only political organizations were militarized networks of men, often connected by regional, ethnic or clan links. A huge quantity of arms had flowed into the country from both East and West. Hence even after the end of the Cold War, the crisis in governance continued with a consequent collapse in the health,

education, and agriculture sectors, as well as virtually all other sectors of the economy, apart from the illegal production and smuggling of drugs. As there was not even a residual central state to protect the capital, the war moved to Kabul.

Crises of state legitimacy often erupt where democratic institutions are absent or ineffective—as has been the case in much of Africa. Yet it does not necessarily follow that the presence of democracy will prevent conflict. Sri Lanka's experience contradicts the usual hypotheses about conflict and democracy, since the hostilities developed and erupted during the decades after independence in the context of a vibrant parliamentary democracy.

Indeed there are a number of cases where democracy appears to have facilitated the outbreak of CHEs. In Burundi in 1992, severe political and economic disruptions followed the setting of the stage for the first multi-part elections in thirty years, when political parties openly played the 'ethnic card'. In Uganda, democratic institutions were manipulated in a way that fomented conflict, both in the 1960s and in 1980. The experience shows that imposing democratic structures can result in leaders manipulating identities and worsening ethnic tensions, especially where sharp economic differences broadly coincide with ethnic ones.

In Yugoslavia, a decade of external debt crisis and falling living standards in the 1980s increased the potential for conflict. The economic and social bases for stable and inclusive government were eroded by increased income inequality, diminishing income-earning opportunities and increased uncertainty. Reduced capacity of the state to deliver services and income security undermined the legitimacy of the federal government.

Where there is a crisis of state legitimacy, the society is extremely vulnerable to a CHE. In practice the outbreak tends to follow a 'trigger' event: this may be political in nature, like an assassination or death of a leader (as in Burundi in 1993), a coup attempt or elections; or economic, like a collapse in the value of the currency.

### *2.1.3 Worsening of economic conditions*

There is a clear correlation between levels of income per capita and the eruption of CHEs. Yet the low levels of income and of economic growth which are characteristic of the 48 least developed countries do not inevitably lead to conflict. Were economic stagnation a sufficient cause for conflict, one would have expected outbreaks of violence in a number of countries, including Tanzania in the 1980s and in Cuba in the early 1990s.

Together with widening disparities in the society which coincide with perceived group identities (or horizontal inequality), the main economic events that tend to lead to CHEs are an increase in uncertainty about economic prospects and

weakening of the capacity of the state to provide public goods and services. The interaction between these factors in economies that are already vulnerable can lead to conflict.

Economic deterioration has triggered the eruption of CHEs in many cases, often alongside horizontal inequality. Virtually all the emergencies that were listed in Table 1, from 1992 to 1995, were preceded by slow or negative economic growth. Negative growth can interact with crisis of the state in a downward spiral, a spiral experienced in a number of countries, including Angola, Liberia, Sudan, Somalia, Mozambique, Ethiopia-Eritrea, Sierra Leone and post-1980 Nigeria (in Africa), Lebanon and Algeria (in North Africa, the Middle East), and Afghanistan.

The civil wars in the 1980s in the Central American countries of El Salvador, Guatemala and Nicaragua show that the likelihood of emergency increases where economic growth is slow or falls short of expectations, coupled with lack of consensus as to how to distribute the burden of adjustment to this growth failure. In these countries, macroeconomic crisis acted to trigger long standing tensions arising from deep economic inequalities, especially with respect to the distribution of land.

IMF and World Bank conditionality is sometimes thought likely to promote conflict because of its harsh effects on vulnerable groups. In Sub-Saharan Africa in the 1980s through to the mid 1990s, most governments operated under IMF conditionality, providing the Fund with an overwhelming role in domestic policymaking. Has the imposition of IMF programmes, which are associated with growth slowdowns and cutbacks in public service provision and consumer subsidies, directly provoked CHEs? This is not generally the case, although relatively minor episodes of violence have followed IMF agreements.

Stabilization often entails social costs but these do not lead to unrest on the scale of humanitarian emergencies. Social costs may heighten social discontent, and in turn lead to increased repression (such as closing down schools and universities) but in general the scale of direct human costs is far less than experienced during CHEs. Emergencies, when they occur, result from the conjunction of the stabilization programme with several economic factors. For the set of countries studied, IMF policy conditionality was largely irrelevant as programmes were rarely carried out fully (and often not at all). This was the case in Somalia, for example.

In the case of the former Yugoslavia, it is argued that the IMF failed to recognise and accommodate the consequences of its conditionality in terms of social polarisation and political disintegration. The austerities required by policies of demand repression led to conditions that could not easily foster a political culture of tolerance and compromise. The macroeconomic programmes neglected



effective safety nets while they failed to take into account the political capacity needed to manage the conflicts associated with the stabilization programme. Hence while the IMF programme did not directly cause the outbreak of the conflict, the policies associated with stabilization and adjustment added a further source of discontent with the federal government.

Although not directly responsible for the emergence of CHEs, it is important that the international financial agencies (and donors) place priority on policies which will reduce vulnerability to CHEs: these include the restoration of economic growth, and distributive and other measures that are likely to reduce the risk of conflict. The study reveals that there is a set of economic outcomes typically associated with vulnerability to the outbreak or deepening of conflict—including prolonged economic stagnation as well as sharp reductions in living standards, and relative deprivation. Standard stabilization and adjustment packages, through demand restriction and other austerity measures, and adjustment, through the changes brought about by liberalization of markets and reduction in the role of the state, can make parts of the population susceptible to mobilization by threatened elites. The need to integrate concern about conflict into development operations has only recently been recognised by the World Bank. Specific policy implications this points to are considered below.

#### *2.1.4 External shocks*

The least developed countries are the most vulnerable to CHES, with over a half of the countries having suffered in recent years. The least developed countries are highly reliant on external resources. The bulk of debt is official and the aid-to-GDP ratios are high, averaging about 25 percent. Extremely high aid dependency heightens economic vulnerability because aid flows are both volatile and unpredictable.

#### QUANTIFYING THE SIGNIFICANCE OF DIFFERENT CAUSES OF CONFLICT

Assessing the significance of these various causal factors in contributing to CHEs is a difficult task. Econometric methods were used to test the possible relationships in a sample of 124 developing countries statistically, using pooled data for the period 1980–95. This provided the opportunity to study relationships over time, and usefully confirms a number of key points:

1. Economic decline and worsening inequality—as indicated by low economic growth and a high Gini coefficient of the distribution of income—contribute to the likelihood of CHEs. Conversely, growth in the economy and agricultural output, and the level of income per capita are factors inversely related to CHEs.
2. Slow growth in food production per capita is conducive to CHEs. Africa is the continent which has been most vulnerable on this count.
3. Inflation, as measured by the annual percentage change in consumer prices, is a source of CHEs. This may be due in part to effects on income distribution that are not captured by

the inequality measure.

4. Past conflict—as indicated by military expenditures as a share of national income and a variable capturing ‘conflict tradition’—heightens the likelihood of a CHE. If military expenditures are associated with a constant and frequent use of repression, this in turn can be seen as a proxy for lack of political legitimacy. There are a number of countries which have experienced a tradition of conflict; for example, Haiti which has suffered twelve successful coups since 1956.

Somewhat surprisingly, external economic shocks were not associated with CHEs, although this may be due to lack of data for half the cases. Moreover, declines in national output (which do have a significant effect) may capture part of the effect of the external shocks. The analysis shows no causal correlation from IMF funding to CHE, reflecting the fact that war-prone countries rarely have sustained relationships with the Fund.

Sudden external shocks as well as long-term deterioration in an economy’s international position can contribute to precipitous slumps or long-term stagnation. Sudden shocks include large shifts in the terms of trade, sharp falls in development assistance and increasing debt burdens. Nigeria’s export purchasing power (income terms of trade), for example, fell from a peak in 1980 by 72 percent in 1992 and a further 60 percent in 1993. This was a major factor behind the political instability which involved the military overthrow of a newly elected, but corrupt, government.

In Africa, the typical story has been one of slow deterioration of external conditions. Worsening terms of trade and debt burdens have reduced living standards and increased poverty, in part due to the reduced capacity of government to provide for widespread access to key social services or engage in other measures to redistribute income equitably among groups in the society. In Somalia, for example, steep declines in the terms of trade undermined state revenues and producer incomes in the 1980s. Increasing resort to borrowing from abroad led to a huge debt burden. Inflation and unemployment soared, and public services including education decayed. Aid contributed the equivalent of about one half of national income, but was very urban and Mogadishu-oriented and did little to alleviate relative deprivation.

#### *2.1.5 Environmental conditions*

The popular presumption that there exist links between poverty and environmental decline in a downward spiral culminating in violent conflict is not borne out by the evidence. Studies suggest that environmental degradation has not been a cause of CHEs. Environmental dimensions are nonetheless important because environmental problems make people and groups vulnerable to stressful events and reduce their capacity to cope.

Environmental disasters like deforestation, erosion and over-cultivation can lead to the gradual decline of productive capabilities. People who seek to make their livelihoods in such marginal contexts tend to hover close to subsistence standards of living, so that if conflict occurs in such contexts, it, may rapidly cause widespread malnutrition and early death.

Water is a critical resource both for human survival and economic development. Although water scarcity—which is growing at an alarming rate—can be a cause of conflict among users, sometimes culminating in violence, so far conflict over water has not been source of violence of the order of magnitude associated with CHEs. However, South Asia is presently witnessing outbreaks of internal violence over riverwater sharing—this has contributed to the separatist movement in the Punjab in India, for example, and the Sind separatists in Pakistan.

Conflicts indeed are more likely to be generated by resource wealth than resource poverty. It is often the very wealth that the environment offers and the potential for private and group accumulation that drives conflict. Many of the major conflicts and enduring CHEs on the African continent have been in areas with environmental wealth, or in areas that impinge on their profitable extraction. This is shown, for example, in the cases of diamonds in Angola, Sierra Leone, Liberia, Congo and Namibia, and of oil in Angola, Nigeria, Ethiopia-Somalia, Chad, Sudan and Congo. In each of these cases, the natural wealth of the country was an important prize in the conflict, and such actual or potential riches financed the conflict.

In Angola, ideological differences combined with strategic concerns about control over the country's resource reserves. The granting of mineral concessions to foreigners was used to finance the conflict including foreign mercenaries. In Sierra Leone, the control of key diamond regions of the country affected the success and was a key motivation of the different factions in the war. The government's strategy against the rebels was based on hiring international mercenaries whose payment was linked to future revenue flows from the diamonds. The recent conflict in Liberia revolved around control of the key transport facilities (rail and port) for export of diamonds and timber, and control of the diamond regions.

### 3. WHAT POLICY ACTIONS WOULD REDUCE THE LIKELIHOOD OF CHEs?

The findings of the research project have strong implications for policy formulation aimed at preventing, or ending, conflict. But given the diversity of conditions among countries experiencing or at risk of CHEs and the multiplicity of factors responsible for any one CHE, it is clear that no single policy mechanism can be presented as the way to stop or prevent conflict. Nonetheless, the scope for policies that can help lessen the probability of conflict is clear. The clearest message is that policymakers need to address the underlying causes systematically, especially horizontal inequalities in political as well as economic and social dimensions. Effective prevention strategies require simultaneous action on political and economic fronts. The evidence shows that attempts to introduce political change (like multi-party elections in Burundi) without addressing deep-seated economic inequalities in the society are doomed to failure.

The general direction of policy change must be to reduce group inequalities. This requires inclusive government, politically, economically and socially. Inclusive government *politically* means that all major groups in a society participate in political power, the administration, the army and the police. Inclusive government *economically* implies that horizontal inequality in economic aspects (assets, employment and incomes) is moderate. Finally, and relatedly, inclusive government *socially* requires that horizontal inequality in social participation and achieved wellbeing is also limited. These conditions would limit the private incentives to leaders and followers to engage in conflict, although further specific programmes may be required in this respect.

The general objective of inclusivity and moderate horizontal inequality will translate differently into specific policy recommendations in different country circumstances. It depends on the nature of the relevant groups in the society, and the dimensions of importance in the particular society.

#### 3.1 Economic

##### 3.1.1 Group inclusive policies

There is a need for balance in the distribution of group benefits from government expenditure and international assistance. In many countries, such balance can be operationalized via policies and programmes that ensure *regional balance* in the allocation of public expenditures across the country. This would take the form of

equitable access to all levels of education, health services; water and sanitation; and, where relevant, housing and consumer subsidies. Policies include targeting programmes toward the poorest regions and communities, and employment and educational preferences for disadvantaged communities.

In some countries further specific actions, such as affirmative action programmes, are needed to counter deep-seated disparities among groups. This has been the case in the new South Africa, for example, and was also the policy pursued by the Malaysian government for many years in favour of the majority Malay (bumiputra) group. India has an affirmative action programme favouring the placement of outcastes and other disadvantaged groups in educational institutions and government positions.

The alleviation of regional disparities in the allocation of public goods and services will generally also mitigate group disparities. This will tend to occur if access to services approach universal levels. In Kenya, despite sharp regional differences in economic and social performance, the country has continued to sustain a relatively high share of revenue in GDP and social services as a proportion of total government expenditure. Hence by 1990, relative to neighbouring Uganda which entered independence at about the same time and with similar conditions, Kenya's primary enrolment rate was 95 percent compared to Uganda's 67 per cent; and infant mortality rates in the two countries were 61 compared to 114 per 1,000 respectively. While under the rule of the second president, some affirmative action type policies have been implemented in favour of minority ethnic groups, it appears that the pattern of economic development created sharper vertical inequalities (i.e., between economic classes) which tended to offset the political effect of horizontal (regional or ethnic) hostilities.

A strong revenue effort is needed to finance the key policies and programmes that would promote economic inclusivity. In cases of revenue collection collapse, as occurred in Uganda, Somalia, Cambodia, Iran and Afghanistan, this poses a serious challenge. Yet civil conflict is not always associated with revenue declines—indeed the opposite took place in Ethiopia and Nicaragua. Governments even in situations of eroding legitimacy and incipient conflict may be able to raise revenue and spending on basic social services.

Both government legitimacy and voluntary tax compliance can be increased by improving the coverage and quality of publicly provided basic social services such as education. These services can provide a partial, but visible and widely spread quid pro quo for taxes paid. Countries which managed to increase social expenditure per capita during their period of civil strife include Ethiopia (at 1.6 percent per annum), Sudan (3.4), Nicaragua (3.7), Guatemala and Iran (both 1.6).

### 3.1.2 *Expansion of economic and especially employment opportunities*

Policies that promote development, and especially employment, make conflict a less attractive option for individuals and groups. Economic growth reduces the propensity to conflict, *if equitably distributed*. Hence policies that succeed in promoting such growth should form part of any pro-peace policy package. But it should be stressed that the growth must be widely shared. Inequitably distributed growth can reinforce horizontal inequality and thus be conflict-promoting, as for example occurred in Rwanda.

A successful development strategy of this kind would reduce conflict-propensity. Economic co-option and integration tends to promote peace and help avert CHEs. Cote d'Ivoire and Museveni's Uganda, as opposed to Obote's Uganda, are example of the beneficial political consequences of a growing economy which encompasses much of the population. However, it is often difficult to envisage the success of such policies in countries with the major structural divisions that bring about a CHE. Hence, the policies targeted specifically at reducing group differentials and individual incentives to engage in conflict are needed not only for themselves but also as preconditions for general development success.

The restoration of growth should be the prime macroeconomic objective for countries at risk of conflict, with a lesser emphasis on inflation control. This conclusion is consistent with two major recent World Bank studies that concluded that there is little evidence that annual rates of inflation of less than 40 per cent are costly. Indeed there is evidence in a number of the case studies, including the former Yugoslavia and Sierra Leone as well as territories in the former Soviet Union that the pursuit of deflationary policies can have undesirable consequences in terms of depressing economic growth and reducing finance for basic social programmes and other government services that promote societal cohesion and state legitimacy.

Providing free, universal education is perhaps the most effective policy for reducing the educational inequality that contributes to unequal economic opportunities. Near universal primary education in Kenya, Uganda, Nigeria and Zambia has dampened discontent in these countries. Still universal basic education is not a panacea, as revealed in the case of Sri Lanka.

Agrarian reform and land redistribution will often have a critical role to play. Land reform with relatively low ceilings on parcel size, the inclusion of tenants and landless workers and a good package of compensatory measures (like credit) can potentially reduce rural discontent. Indeed this was the case in the early 1950s in Japan, South Korea and Taiwan, which contributed to the subsequent rural prosperity and lower propensity to violence. The states of India present different stories on this point: in several states, including Punjab and Bihar, rural unrest festered in the absence of significant land reform; whereas the state of

Kerala undertook radical and comprehensive redistribution in the 1970s that reduced the number of land-poor people. It is important that land reform operates in favour of the dispossessed rather than being confined to the politically well-connected.

### 3.1.3 *Private incentives and the challenge of demobilization*

When conflict is ongoing, policies to tackle the root causes need to be accompanied by policies to encourage the individuals involved to stop fighting and enter more peaceful occupations, i.e. policies to change private incentives. The private incentives of leaders of major groups may best be turned round by offering them positions in government, the civil service, or the national army. This would promote political and economic inclusivity. Those who had previously been active soldiers (the 'followers') need income-earning employment—finance or jobs in works schemes can be offered in exchange for arms or, where appropriate, land or agricultural credit. These schemes can be expensive and may need international support.

**POLICIES TO AVERT FURTHER CONFLICT:  
CASH AND JOBS IN UGANDA**

Uganda has had among the worst recurrent records of mass violence on the African continent, involving the deaths of one million people. The country is now under its seventh leader since independence in 1963; the entire post-independence period has been marked by political violence, with by far the worst episodes under Amin (1971–9) and Obote (1980–5).

In January 1986, an armed resistance group led by Museveni took control of the country. While the regime was not at all democratic in the Western sense for at least a decade, the government that was appointed was broad-based politically and ethnically. Prominent members of the various political factions, ethnic groups and regions gained administrative positions in the government. All the various military forces were incorporated into the national army, with a balanced ethnic composition. This approach appears to have enabled relatively stable government in Uganda, and the restoration of economic growth. However localised violent opposition, especially in the North and in the West, appears to be chronic due in part to factors in neighbouring countries.

### 3.1.4 *Political*

Political inclusivity is essential because it is monopolization of political power by one group that is normally responsible for many of the other inequalities. Yet achieving political inclusivity is among the most difficult. Representation of all significant groups is needed at the level of the cabinet and other organs of government, and also at all levels of the civil service, the army and the police.

Since every case of conflict we have observed lacks such political inclusivity, this must be regarded as a universal prescription for conflict-prone societies. Such politically inclusive policies have been adopted by well-known peace-making regimes, e.g. the post-Pinochet Chilean government, Museveni in Uganda, South Africa under Mandela. These political requirements for conflict-prone countries do not currently form part of the dialogue of political conditionality adopted by bilateral donors.

Political inclusivity is not only or always a matter of introducing democratic institutions. Majoritarian democracy can be politically exclusive, as in Serbia or previously in Northern Ireland. Moreover, democratization is a gamble in societies threatened or in the wake of CHEs. Political transition can aggravate tensions. Political parties often seek support by emphasising and even creating group differences. Institutions, formal and especially informal, are very difficult to change. Yet the alternative to democracy is typically not a benevolent state, but an authoritarian regime lacking broad-based legitimacy among the people.

The study shows that there are circumstances under which elections and referenda may actually lead to CHEs. Where social cleavages are deep, elections may serve to formalise and perpetuate these differences and destroy any existing cross-cutting loyalties. The tragedy in Bosnia followed the 1992 plebiscite, when a number of Serbs perceived themselves to be a beleaguered minority within a Muslim-dominated state.

The study suggests that there is no single set of institutional responses to the challenges facing countries vulnerable to CHEs, although the need for political inclusivity is a general one. Political inclusivity requires that members of all major groups be involved in decision-making at all levels. Hence constitutional constraints and checks need to be placed on democratic institutions to achieve this, as in the proposed 'Good Friday' constitution for Northern Ireland. India, for example, has long had requirements for representation of minority or under-represented groups at various levels of government.

Recent reforms in Haiti could help enable the country to escape the protracted CHE that has characterized the country since the 1970s. This has included the abolition of the armed forces and the suppression of paramilitary terrorist groups. The country has just experienced successful transition from the first democratically elected president to the second. However the judicial system itself requires thoroughgoing reform. In addition, the task of reconstruction of the economy must be achieved in a way that benefits the peasant majority.



## **4. THE ROLE OF THE INTERNATIONAL COMMUNITY**

There is growing unease, and frustration, in the international community in the face of massive human costs incurred by CHEs. This uneasiness cuts across the various groups of actors, in the various parts of the UN—political, peace-keeping, humanitarian and development—as well as among non-governmental organizations and donors.

There is frustration about the effectiveness of responses to CHEs—despite the fact that official and private disbursements for humanitarian assistance have increased exponentially, from \$845 million to \$7.1 billion between 1989 and 1995. The focus of this assistance is essentially short term. Indeed the 'growth' in humanitarian assistance partly reflects short-term emergency needs taking precedence over longer term development programmes. An early repercussion of rising insecurity in conflict zones tends to be a sharp reduction in official development projects. The foregoing recommendations have already suggested some important implications for the role of the international community:

- Reduction of societal inequality: an obvious implication of the foregoing analysis is that in the design and implementation of aid projects, there is a need to ensure fair distribution of the benefits among groups. This should be a key priority in development co-operation with poor countries, alongside the broader notion of economic development.
- Criteria for debt reduction: many of the countries at risk of conflict are also highly indebted. In most cases, the bulk of debt is owed to official bilateral or multilateral agencies and is therefore amenable to policy reform on the part of Western governments. Unfortunately the recent initiative to reduce the debt burden of the poorest most highly indebted countries does not specifically take into account the recent experience of conflict or its likelihood. Yet countries generally run up huge debts during conflict. The present criteria for debt relief from the international financial institutions, based on per capita income, debt-to-GDP ratio and a prolonged record of successful stabilization, need to be changed to include post-conflict countries, thereby helping to alleviate the stresses on public service provision and uncertainty caused by high levels of debt repayment. For post-conflict countries, the requirement of a long record of successful economic reform to qualify for debt relief should be removed.

Efforts to wipe the slate clean for selected highly indebted countries at risk of conflict could free leaders of their inherited debts, and facilitate a longer term outlook on political and economic reform.

- Cancellation of official debt: one specific proposal is that official debt could be cancelled subject to certain conflict-reducing actions. For example, cancellation on the condition that the resources released from debt service would be used only for the purposes of deficit reduction and net additions to the financing of basic social services.
- Cushioning the effect of external shocks: a number of case studies expose the damaging repercussions of external shocks in increasing the likelihood of a CHE. Worsening external conditions forced austerity and declining living standards in Africa in the 1980s and early 1990s, putting additional pressure on the capacity of government to deliver public goods and services and raising the risk of a crisis of state legitimacy. The IMF has a facility to finance temporary shortfalls in export earnings, but this is limited relative to the scale of need. Western countries could provide a larger share of grants and concessional loans to alleviate the repercussions of external shocks in low-income countries that are vulnerable to conflict.
- Aid co-ordination: the size of official development assistance is not associated either positively or negatively with humanitarian emergencies. However a number of the case studies reveal that many poor countries are hampered by a high degree of aid dependence. The problem is not so much the size of aid flows but the highly conditional and volatile nature of the assistance that is given. While dealing separately with the political economic and humanitarian dimensions of CHEs is consistent with existing structure of multilateral agencies, this will not tend to prevent or lead to durable solutions to the conflict. The lesson from Afghanistan to Rwanda is that piecemeal or disjointed international efforts will not work. Recent efforts toward a more holistic approach, which was tested in an inter-agency mission to define a joint strategy in Afghanistan, is a welcome shift in this direction.
- The international community could also increase monitoring efforts that would identify to the need for ex ante prevention efforts. In the case of Rwanda, the most serious defect of aid was that massive resource flows contributed to a discriminatory development strategy while the aid community paid no attention to signs of impending political problems. International activities to monitor poverty have served to significantly increase understanding about the extent and nature of poverty in many developing countries. Such analysis could be extended to pay explicit attention to group inequalities, and thereby point to policy actions that would reduce the likelihood of a CHE.

It is not the case that the IMF or World Bank themselves bring about increased insecurity. Since many governments are pursuing precisely the opposite policies to those that would promote group inclusivity the international financial institutions have a potentially positive role to play in dealing with conflict-prone countries.

Measures to reduce inflation and promote private sector activity should reduce the probability of conflict. But specific account of the systemic problems faced by vulnerable economies should be taken in the design of their stabilization and adjustment programmes.

While the design of World Bank investment projects have increasingly sought to benefit disadvantaged groups in society, this is generally not true of economic policy advice at the national level. In fact, at present, IMF and World Bank policy conditionality is 'blind' to horizontal equity in their policy prescriptions. As lead institutions, they should incorporate these considerations into the policy conditionality that is applied to government economic interventions and expenditures.

There is a real risk that the cuts in government spending involved in IMF packages can increase inequalities of access—depending on the capacity of the state to redistribute resources in ways that are considered to be fair.

Another obvious candidate for attention is expenditure reallocation: while the IFIs have recently tended to emphasise the importance of reducing unproductive public expenditures, there are examples where the IMF and World Bank were reluctant to impose pressure on government to cut military spending—El Salvador being a recent example.

## 5 OUTLINE OF THE MANUSCRIPTS

### *The Origins of Humanitarian Emergencies: War and Displacement in Developing Countries*

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*Weak States and Vulnerable Economies:  
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The Prevention Of Humanitarian Emergencies*

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