The Role of Development Assistance in Mitigating or Exacerbating Conflict: Framework and Mechanisms

Prepared by

UN-ESCWA
United Nations Economic and Social Commission for Western Asia

June 2006
The Role of Development Assistance in Mitigating or Exacerbating Conflict: Framework and Mechanisms*

June 2006

*This paper was presented in the Expert Group Meeting (EGM) on Development Under Crisis Conditions (Beirut, 27-28 June 2006). This paper is reproduced without formal editing.
## CONTENTS

I. **OVERVIEW**  
II. **DEVELOPMENT AND CONFLICT: IS THERE A LINK?**  
III. **RESEARCH ON ECONOMIC CONTRIBUTIONS TO CONFLICT:**  
    THE MAIN ISSUES  
    A. Poverty and Conflict  
    B. Natural Resources and Conflict  
    C. Role of Diasporas  
    D. Greed vs. Grievance  
    E. Economic Policies and Conflict  
    F. Horizontal Inequality and Civil Conflict  
    G. Limitations to Current Research  
IV. **DEVELOPMENT POLICY IN CONFLICT PREVENTION**  
    A. Background  
    B. Sources of Tension in Development Policy  
    C. Horizontal Inequality  
    D. Conditionality in Development Assistance: Does it Help or Harm?  
    E. Communication and Participatory Development  
    F. The Middle East Context  
V. **ON-GOING CONFLICT**  
    A. Relevance  
    B. Security: Challenges  
    C. Security: Options  
    D. Organizational Mandates  
    E. Community Needs  
    F. Tying Humanitarian Aid to Development  
    G. The Risks of Aid in Conflict Zones  
VI. **POST-CONFLICT**  
    A. Development Assistance in Post-Conflict Settings  
    B. Lynchpins of the Peace Process  
    C. Peace Dividends  
    D. Process Driven Reconstruction and Civic Groups  
VII. **OPERATIONS**  
CONCLUSIONS  
RECOMMENDATIONS AND FINDINGS
I. OVERVIEW

The Middle East is on the fault line of international politics. The region’s vast energy reserves as well as the Israeli-Palestinian conflict have ensured that it will remain in the spotlight of global affairs for the foreseeable future. Despite the region’s vast oil wealth, or perhaps because of it, the region has remained politically and socially volatile and has been subject to periodic international conflicts and foreign intervention. The huge prize of energy reserves, and the wealth that accompanies them, has raised the stakes of any conflict in the region. Domestic political crises and social instability can affect countries far beyond the region, since these events have the ability to influence the price of energy and, by extension, the direction of world markets. The world economy’s dependence on the region for energy inevitably invites international attention and often foreign interference and intervention.

Despite the region’s vast wealth, many of the countries in Western Asia lag behind in terms of socio-economic development. Poverty remains endemic in many countries, and many nations perform poorly on other social development indicators as well, such as literacy rates. Both national and international efforts to help the region have made some progress, but have still fallen short of their goals. One of the primary challenges of development efforts has been the political and social volatility of the region. Wars, occupations, civic unrest, the threat of extremism and rising ethno-sectarian tension have all played a role in hindering the region’s development.

The current regional instability makes traditional models and mechanisms for development more difficult to pursue. In conflict-affected countries, recurrent political crises and persistent violence often mean that circumstances on the ground overtake even the best-laid development plans. Even in those countries without open conflict, regional instability and domestic political crises often result in socio-economic stagnation resulting from the unpredictable investment flows and changes in government and donor policies. These phenomena all serve to frustrate development efforts.

The basic challenge of development agencies in Western Asia is assisting countries in their pursuit of long-term, sustainable development in a region where events change rapidly. To effectively accomplish this, development organizations will need to be able to both respond to crises as they emerge as well as formulate programs that can reduce the chances of new conflicts erupting. In cases such as Iraq and occupied Palestinian territory, many agencies have questioned whether it is even possible to pursue long-term development in the midst of these conflicts. The answer must be yes. Waiting until the conflict has subsided before pursuing development programs would mean the continued suffering of these nation’s citizens and may even serve to prolong the conflicts.

The goal of this paper is to examine how sustainable development can be pursued in countries marked by conflict and socio-political instability. Although the paper was written with the context of the Middle East in mind, it considers development efforts in other conflicts as well and tries to frame which efforts have worked and which have not, and how they might apply to the countries suffering from crises in the Middle East today. The paper begins with an overview of some of the academic research on the relationship between conflict and socio-economic development, and then is divided into three themes: pre-conflict, on-going conflict and post-conflict. Countries suffering from conflict and instability rarely fit into nice, neat categories and often waver back and forth between states conflict and peace. Sometimes conflicts are merely frozen: the fighting has stopped but no real peace deal has been reached. In other cases, peace deals are made but begin to unravel almost as soon as they are signed. Thus, this paper’s groupings are largely a rhetorical devise used to explore the broad characteristics that mark the different phases of conflict and what development tools can be successfully used in such cases.

II. DEVELOPMENT AND CONFLICT: IS THERE A LINK?

Few people question that there is a direct correlation between socio-economic growth and the prospects for peace within a country. The positive correlation between long-term socio-economic growth and peace has been at the heart of efforts by governments and international development agencies to promote sustainable
development at home and abroad in recent decades. This central belief has spurred virtually every concerned country in the world to pursue sustained growth, albeit with varying degrees of success.

Despite this assumption and the development efforts it has inspired, conflict remains a fact of life in many countries. Even those countries which have achieved relatively high levels of growth have not been immune to conflict, whether in the form of interstate conflict or civil wars. One needs only to remember Rwanda, which in the years before the genocide was hailed as a model of successful growth in Africa.1 There are obviously an almost infinite number of factors that lead a country to war or peace and this paper is not going to try to identify all of them. But considering the number of conflicts occurring in countries that have been significant recipients of development aid, one must also wonder about the relationship between development assistance and conflict. Does development aid affect the likelihood of conflict, and if so, how? If development aid (whatever its form) does influence the likelihood of conflict, what are the factors that determine whether it increases or decreases the likelihood of conflict? Put simply, when does aid hurt and when does it help?

National and international development actors are increasingly recognizing that development aid, if not properly utilized, can increase chances for conflict rather than achieve its intended goals of prosperity and growth. This increasing awareness of the potential links between development programs and conflict is the product of several trends. The proliferation of experience in conflict and post-conflict environments has sparked interest in better understanding the often two-way causality between conflict and development. Development programs in countries such as Bosnia, Afghanistan, East Timor, DRC, occupied Palestinian territory (OPT) and Iraq (to name but a few) has led to a more nuanced understanding of the various types of conflicts, their causes, the phases they pass through as well as the effect of development programming in these environments.

The programs conducted in recent decades in conflict resolution and post-conflict reconstruction have led to a surge in research on these subjects, both within academic circles as well as through “in-house” studies. The new research ranges from fairly standard “best practices” to more sophisticated (although not necessarily more accurate) econometric modeling to determine causal links between economic development and conflict. Some of the research serves more as an operational guide for development practitioners, while other investigates deeper causal links between economic growth and violent conflict. The research into both the theoretical and operational aspects of development policy has led to an increased focus on the role of development aid, not only in post-conflict scenarios, but also in the period preceding conflicts.

III. RESEARCH ON ECONOMIC CONTRIBUTIONS TO CONFLICT: THE MAIN ISSUES

Compared to research into the political causes of conflict, the role of economics and development in conflict is relatively under-studied. Much of the research that has emerged in the past two decades has been motivated not just out of academic interest, but because international donors and development agencies have become sensitive to the fact that they can inadvertently hurt the people they are purporting to help. Among the economic research being conducted, much of the focus has been on investigating the causal links between wealth, inequality, trade, natural resources and war.2 Although there is some research on trade and international conflict, the majority of the research focuses on the role of economics and economic policy in civil conflict.3 The following is an overview of some of the most relevant findings, particularly in their implications for development policy.

---

3 Ibid. pg, 7.
A. POVERTY AND CONFLICT

Some research has supported observations already made by development practitioners in the field. For example, many practitioners had remarked on what appeared to be a two-way causality between poverty and conflict: widespread poverty increases the likelihood of conflict and persistent conflict contributes to pervasive poverty. This has proven true primarily for civil wars, but is not as significant a factor in interstate conflicts.4

B. Natural Resources and Conflict

Research has also highlighted the links between the availability of natural resources and the likelihood of conflict. Lootable natural resources such as diamonds and timber often increase the chances of violent conflict in weak or failing states, as they present easy sources of revenue for rebel armies or non-state actors to initiate and sustain conflict.5 The research did not conclude whether the natural resource wealth in and of itself was the motivation for rebellion or whether the rebellion was rooted in another cause and the money from these lootable natural resources made financing a rebellion possible. However, this issue is particularly salient in the context of contemporary Iraq where the smuggling of oil is a significant source of illicit funding for various political and insurgent groups and may be serving to prolong the conflict.6

C. ROLE OF DIASPORAS

Another important factor in the protraction of conflict is the role of diasporas.7 Research indicates that countries which suffer from conflict and which have large diasporas are more likely to renew conflict than those that don’t.8 There are several theories as to why this is the case. Cases studies suggest that diasporas are large and important sources of funding in conflicts, particularly for those which are living and working in wealthy countries. There are indications that diasporas may also nurture grievances longer than their host country compatriots, and because they do not directly bear the brunt of the violence, are more willing to see the conflict prolonged.

D. GREED VS. GRIEVANCE

The results of other research, such as the investigation into whether greed or grievance is the more important determinant of a country’s propensity for civil war, have been more controversial. A World Bank research paper on this subject concluded that greed is a more likely cause of civil war than grievance, where greed and grievance are used as proxies for opportunity and motive.9 The results found that the opportunity for rebellion or conflict is a more important determinant of the likelihood of conflict than grievance. This conclusion is disputed by many development and conflict resolution practitioners who feel that grievance, whether anger against political exclusion or economic marginalization, is the more important cause of hostilities10.

E. ECONOMIC POLICIES AND CONFLICT

Research also suggests that the type of economic policies that a country pursues could also have a direct impact on the likelihood of civil conflict.11 This is particularly true in countries where

9 Collier and Anke, pg. 2.
10 Macartan Humphreys, Economics and Violent Conflict, Harvard University, 2002, pp. 4-5
11Ibid, p. 6
government officials systematically undermine state institutions in order to both illicitly enrich themselves and exert more direct influence through systems of patronage (rather than through institutions). In such cases, the erosion of civic institutions, the decline in state-provided services and the destruction of productive infrastructure makes rebellion a more attractive and “less expensive” option for would-be rebels.12

F. HORIZONTAL INEQUALITY AND CIVIL CONFLICT

There is conflicting evidence on whether inequality is a cause of civil conflict.13 Although World Bank research has found that individual income inequality is not necessarily a determinant in civil conflict, research by other scholars has indicated that inequality among groups (whether based on tribe, ethnicity, religion or some other feature) is a factor in the likelihood of conflict.14 Inequality, in these cases, refers to unequal access to political participation, incomes and employment, economic assets and social aspects (such as linguistic, cultural or religious rights).15

G. LIMITATIONS TO CURRENT RESEARCH

Economic analysis into causes of conflict is a relatively new field and as such, will be subject to great deal of debate as it grows in its breadth and sophistication. Critics of research in this field have rightly pointed out the shortcomings of the data used in these studies. Data sets are often either incomplete (countries undergoing civil war are much less likely to have consistent and accurate statistics) or aggregated at national levels, and as such, fail to accurately reflect the effects of unequal distribution of wealth, when coupled with geographic and demographic considerations.16

Another major gap in the research done by the World Bank and other bilateral donors is the lack of an examination of the role that development aid has directly played in conflicts. There has been quite a bit of discussion of the risks of humanitarian assistance in conflict (covered later in this paper), but there has been far less discussion of whether bilateral assistance increases the likelihood of conflict, particularly in fragile states. At the root of this issue is how recipient governments use that assistance (whether for development, personal gain or for re-arming) and whether donors can ensure that their development aid is not merely freeing up other resources for military expenditures.

Another major challenge to analysis on the role of development assistance in conflict prevention has been establishing causality between the development aid and conditions of peace in a country. Given the almost infinite number of factors that can determine whether a country remains at peace or goes to war, it is difficult to pinpoint just one input, such as aid, and establish its impact in any given outcome.

Despite its limitations, research investigating the economic causes of conflict has proven important. It has shed light onto some of the links between economics, development and conflict. This in turn has helped inform international development agencies as they formulate policies to assist countries suffering from conflict. In particular, it has supported a general transition away from the view that development aid operates autonomously to conflicts, towards a more nuanced understanding of development assistance as one of many factors that can influence the likelihood and direction of a conflict. This has pushed international development organizations to look strategically at how development aid can be more effectively targeted to mitigate conflict.

13 Ibid, p. 4
16 Humphreys, pg. 4.
IV. DEVELOPMENT POLICY IN CONFLICT PREVENTION

A. BACKGROUND

An operating assumption among international aid organizations has been that development supports peace and prosperity. By this logic, any aid from international donors that supports broad development goals, by extension, supports peace. Research and experience has shown that while this can be broadly true, it is not always the case. Even in countries making progress towards achieving their Millennium Development Goals, risks of violent conflict remain.\(^{17}\) And while a country might be making national-level progress in its development goals, there are numerous other factors which can be at work in fomenting tension and even open conflict. It is thus not merely enough to use aid to promote growth; one must also consider the effect of this growth on the social and political dynamics on the country it is trying to help.\(^{18}\)

This observation has direct implications for the development policies of international and national agencies. Pursuing a development strategy that focuses on national development goals without considering potential negative side effects, can threaten to undermine what progress is made. Thus development programs needs to incorporate a sensitivity to conflict, founded in an analysis of the root causes of tension within the country. This impact assessment furthermore needs to look at both national and local level indicators and analyze the likely dynamic between the two.

International agencies concerned with promoting socio-economic growth in the Middle East are faced with a particularly complex and dynamic environment. While the Israeli-Arab conflict and the war in Iraq are powerful sources of instability and tension, domestic policies in the region make significant contributions to the overall climate of political instability. Weak political systems and under-performing public sectors have failed to meet the needs and expectations of large portions of society in the Middle East, leading to frustration and unrest. Economic decision-making by governments in the region is often the product of political imperatives rather than developmental priorities. The sense of frustration among the region’s many citizens is further aggravated by economic policies mandated by international donors which do not necessarily reflect the priorities of local constituencies.

Economic growth, governance and rule of law play interrelated and determining roles in the prosperity of a country. It has become increasing difficult for international agencies to maintain a myopic view of development, only focusing on technical issues while ignoring the political contexts in which their assistance operates. If instability and conflict have a dampening effect on socio-economic growth in the region, then development organizations must include reducing tension and conflict among their goals. To do so requires not just providing technical assistance and financial aid, but also examining the context in which aid operates to ensure it does not fuel instability.

B. SOURCES OF TENSION IN DEVELOPMENT POLICY

In the Middle East and beyond there are several factors in development policies which have acted as sources of tension and instability. While some of the resultant tension is the product of policy outcomes, the process through which the policy is implemented can also cause friction. Most are the product of domestic decision-making, but international donor policies also can play an important role in fomenting tension. Among the most prevalent are horizontal inequalities in development; structural adjustment packages made at the behest of donors; and top-down decision making; and poor communication.

---

\(^{17}\) There are numerous examples where this has been the case. The Philippines which experienced significant growth through the 1980s and 1990s, was wracked with an Islamic insurgency in the country’s south. Indonesia following the monetary crisis in 1997 suffered numerous conflicts, from secessionist movements in Aceh, Papua and East Timor, to civil strife in the Malukus, Central Sulawesi, Kalimantan and even Jakarta.

C. HORIZONTAL INEQUALITY

A common source of tension is the unequal distribution of growth and wealth within a country. In countries which are religiously, ethnically or otherwise diverse, perceptions of one group enjoying a disproportionately large portion of national assets (whether economic, political, social or employment-related) can result in a simmering tension between groups in the country. These points of friction are often not sufficiently considered in socio-economic research which focuses on macro level indicators of growth and social development. In cases where there are increases in national levels of per capita income, literacy, or employment (to name but a few indicators), the development model is considered successful. However, this doesn’t adequately take into account the effect of this growth on the many geographic, linguistic, religious, or ethnic groupings in the country.

One does not have to cast his net very far to find examples of tension and civil conflict created by perceptions of injustice and imbalance in a nation’s development policies. In Iraq, large segments of society complained of systematic economic and political marginalization under Saddam Hussein’s rule because of their ethnicity or sect. In Lebanon, many of the country’s diverse sects have felt politically and economically marginalized or under-represented at various points in the country’s history, a perception that was a contributing factor to the country’s civil war and subsequent instability.

Perceptions of inequality in the divvying up of national resources are not unique to the Middle East of course. The tension present in some countries in the Middle East fits a trend which extends well beyond the region. And, as in the Middle East, problems occur when the state cannot, or chooses not to, address the dissatisfaction that arises from the sense of injustice. When governments fail to address these perceptions on inequality, the chance of violent conflict increases.

To cite but one example, in Indonesia, violent secessionist movements were launched in the provinces of Aceh and Papua, primarily in response to what was perceived as an imbalance in development between the country’s center and its outlying provinces. Although tax revenues from Exxon-Mobile’s oil/natural gas operation in Aceh and the gold mining operations of the company PT Freeport in Papua were major contributors to Indonesia’s impressive economic growth during the eighties and nineties, this did little to assuage the Acehnese and Papuans who felt they did not receive development assistance proportional to their contribution to the national economy. It has only been since the fall of authoritarianism in the country that the provinces were given greater autonomy, and a greater percentage of natural resource revenues, resulting in a dramatic decrease in support for secession.

If more equitable development policies undermine instability and conflict, why don’t all countries pursue them? The answer is one of political economy; while some policies do not make sense economically or socially, they make perfect sense politically. While this phenomenon is common across the world, the degree to which political opportunism trumps economic concerns varies wildly from country to country. Unfortunately, in many countries economic resources are almost exclusively perceived to be tools of political patronage rather than national resources to be utilized for the common good. In these cases, government officials use development programs as a means of exacting loyalty: those who support the regime or the leader are given better schools, better access to medical facilities and so on. Those who oppose the regime are denied access to basic services as a form of punishment. In many cases, regimes draw their strongest

---

support from one sect or ethnic group.\textsuperscript{23} When this group is favored through development and economic patronage, it creates the seed for conflict in the future.

D. CONDITIONALITY IN DEVELOPMENT ASSISTANCE: DOES IT HELP OR HARM?

International donors and development agencies are increasingly realizing that they avoid political economy questions at their own peril.\textsuperscript{24} Governance is no longer viewed as an external and largely autonomous component of socio-economic growth, but rather an integral part of expanding a country’s economy and human resources. Given the potential for development aid to either be misallocated or used to pursue policies which are harmful in the long run, many donors have become increasingly stringent in enforcing conditionality in their assistance. Bilateral aid is increasingly being tied to reforms in governance or targeted at sectors that are at least partially determined by the donor.

Conditionality in assistance is the product of several sometimes competing trends within the development world. For the Bretton Woods institutions, conditionality is at least partially the product of trying to ensure that their assistance is used for development projects that spur economic growth and reduce poverty. The structural adjustment packages (now often referred to as Poverty Reduction Strategies) that are typically part of World Bank and IMF conditionality usually involve some combination of debt reduction, privatization of state-owned enterprises, lowering of trade barriers and deregulation. Protests from civil society in many countries over the corruption of development assistance has pushed the institutions, like the World Bank, to tie their assistance even more closely to anti-corruption programs as well.\textsuperscript{25}

Although both the World Bank and IMF intend for their assistance to reduce poverty, increase socio-economic growth and generally promote peace and stability, their programs contain their own unique set of risks. Governments are often not receptive to the idea of bilateral aid being contingent on reforms in governance. Reform packages incorporated into donor lending are frequently met with protests by host countries and accusations of a violation of sovereignty. There are a variety of reasons why conditionality is not popular within countries receiving assistance.

In many cases, reforms mandated by international bodies, while perhaps economically rational, are not politically viable. To give one example, fuel subsidies are a typical target of restructuring programs by the World Bank and IMF, and for obvious reasons. Fuel subsidies often represent a huge portion of government spending with only debatable gains for productivity.\textsuperscript{26} However, dramatic reductions in fuel subsidies are an almost guaranteed formula for widespread protests, which can even threaten to bring down governments in the more extreme cases. Thus while the reforms may be economically rational, they can be politically disastrous and even lead to open conflict.\textsuperscript{27}

Another unfortunate reason for governments to resist conditionality as a part of donor assistance is that the mandated reforms sometimes do exactly what they are supposed to: they disrupt official networks of patronage and corruption. In some cases, accusations of violations of national sovereignty are used as

\textsuperscript{23}This phenomenon is true of many countries in the Middle East. To cite but one example, see Anthony Shadid, “Death of Syrian Minister Leaves A Sect Adrift in Time of Strife”, The Washington Post, Monday, October 31, 2005; A01. Accessed on-line at \url{http://www.washingtonpost.com/wp-dyn/content/article/2005/10/30/AR2005103001270_pf.html}


\textsuperscript{27}To cite but one example, the government of Yemen cut fuel subsidies in July 2005 as part of its economic reform package encouraged by the World Bank and IMF. Several civilians were killed in the ensuing riots. See \url{http://www.ipsnews.net/news.asp?idnews=29583} or \url{http://english.aljazeera.net/IR/exeres/BD09A401-9E2D-4D7C-ABCC-7F024C0A29FC.htm}. 

9
political cover for attempts to protect the political clout the leadership exercises through the control of economic resources. Reforms targeting poorly managed state owned enterprises or bloated bureaucracies often strike at the core of vast networks of political patronage.\textsuperscript{28}

Questions of the political economy are not limited merely to host countries of course. Both bilateral and multi-lateral donors are subject to political imperatives. Bilateral assistance from donor countries is an extension of their foreign policy concerns, which may or may not coincide with the best interests of the recipient countries. Multi-lateral donors such as the Bretton Woods institutions are ostensibly less “political” than bilateral donors, but are also not immune to external pressures.\textsuperscript{29}

The final reason for resistance to conditionality in donor assistance is that donors have on more than one occasion prescribed the wrong medicine. Economists and former World Bank officials such as Joseph Stiglitz have repeatedly criticized the Bretton Woods Institutions for their policies in responding to financial crises in Latin America, Southeast Asia and Russia during the 1980s and 1990s.\textsuperscript{30} Critics have argued that the IMF has opaque decision-making, is unresponsive to criticism and often uses a cookie cutter approach to policy formulation, no matter how different the causes of the crises. During the Southeast Asian Monetary crisis, Stiglitz was specifically afraid that the IMF policy package would cause a recession which would spark “social and political turmoil” in Indonesia along ethno-sectarian lines.\textsuperscript{31} To some extent, this did in fact occur in the years following the collapse of the Suharto regime. Thus it is not without reason that national governments are often suspicious of international interventions into domestic policy making.

E. COMMUNICATION AND PARTICIPATORY DEVELOPMENT

In the worst cases, governments deliberately misallocate resources for the sake of patronage, political interests and ethno-sectarian loyalty. But not all governments operate purely out of cynical self-interest and many struggle to accommodate a blend of competing interests. In such cases, international aid agencies can have a positive impact, working with reform-minded members of the government and finding common points of interest to promote equitable growth.

In countries emerging from or still governed by authoritarian or semi-authoritarian forms of rule, governments are used to top down planning with little in the way of public participation in the decision-making process. Decisions on development policy are typically reached within a small circle of government advisors and then issued as edicts from on high, if there is any kind of discussion at all. If the development policy fails to deliver on its promises, it only builds resentment within society against the government and fuels mistrust.

International development programs can assist partner countries in their communications strategies through a number of types of programs. In countries which are either ruled by authoritarian regimes or are emerging from them, there is often little history or experience in participatory development and decision-making. This is an area where international development agencies can play a pivotal role. Without buy-in from local communities on development projects, governments will still be faced with public mistrust and reluctance to develop plans. One of the easiest means of ensuring broad public buy-in is to involve communities in the decision-making process. With community involvement, the development planning process gains a legitimacy and sense of ownership that is frequently lacking in top-down planning. This is particularly true for marginalized groups that have reasons to distrust central government promises.

Even when development planning is tilted to favor the underrepresented or economically marginalized, perceptions of injustice often persist due to poor communication strategies from the government.


\textsuperscript{29} The World Bank’s assistance to countries like Zaire during the Cold War is often cited as such examples.

\textsuperscript{30} Joseph Stiglitz, “What I Learned at the World Economic Crisis”, \textit{The New Republic}, April 17, 2000 found at \url{http://www.mindfully.org/WTO/Joseph-Stiglitz-IMF17apr00.htm}.

\textsuperscript{31} Joseph Stiglitz, “What I Learned at the World Economic Crisis”, \textit{The New Republic}, April 17, 2000 found at \url{http://www.mindfully.org/WTO/Joseph-Stiglitz-IMF17apr00.htm}.  

10
Development agencies can help governments develop more effective communication strategies so that the impact of government programs is multiplied through increased visibility. Communication strategies should not be confused with propaganda, but should rather be geared towards helping the government to be clearer and more transparent about its efforts. Support programs can involve everything from helping the government more effectively interact with the press, to holding “town hall meetings” with select constituencies.

Efforts to help governments more effectively communicate their ideas should begin by improving communication within the government itself. There is often abysmal communication between various government agencies and sometimes a complete breakdown in communication between the central government and regional representatives. This failure to effectively communicate development goals and plans particularly weakens regional representatives either appear incompetent or politically impotent (or perhaps both) as a result of their lack of information. Helping governments formulate a strategy to improve communication can also initiate a process where local government officials provide feedback on the proposed development plans to the central authorities, a small but significant step towards empowering them in decision-making.

International development agencies and even bilateral donors have come to recognize the value of the legitimacy that comes with participatory development processes. Donors such as the World Bank have taken notes from more “field-based” NGOs and launched projects that funnel development funds directly to local communities, skipping national and provincial administrations. Although not without their problems, efforts such as the World Bank’s Kecamatan Development Program, have tried to institutionalize bottom-up planning on a massive scale. The approach has the advantages of skipping much of the waste associated with top down planning (where significant portions of the aid go to covering “operational” costs of each successive level of government), and giving the development planning process much needed legitimacy by putting it in the hands of local communities. This in turn undermines center-periphery tensions and the sometimes ethno-sectarian flavor it assumes.

F. THE MIDDLE EAST CONTEXT

Many countries in the Middle East present similar challenges for international development agencies concerned with promoting socio-economic growth. While there has been a shift from the centrally planned, state-owned economies of the sixties and seventies, economic liberalization has not necessarily translated into equitable growth across the region. Economic growth is of course possible without reform in governance, but balanced equitable growth across broad segments of society is much less likely to occur with power concentrated in just a few hands. There are a few international models where this has occurred, such as Singapore or South Korea, but these examples remain the exception rather than the rule. They are also highly dependent on visionary leadership and a strong, efficient and accountable public sector.

A number of countries in the region have adopted economic reform programs, but have shied away from any significant political reforms. The general message has been economic reform before political reform and the political reform will come once the population is “ready.” Even economic reforms, such as the privatization of state-owned enterprises, have not necessarily defused tensions within the country. When privatization does occur, it is often perceived as primarily benefiting a small circle of politically connected

36 Amr Hamzawy, Challenges and Prospects of Political Liberalization in Egypt, House Committee on International Relations Hearing "Redefining Boundaries: Political Liberalization in the Arab World” April 21, 2005.
businessmen. Thus, economic reforms, rather than defusing tension have sometimes made it worse. And although political reform is no guarantor of socio-economic progress, the lack of democratic decision-making is almost guaranteed to result in financial mismanagement and the resulting socio-economic stagnation or failure.

There are few general prescriptions for conflict prevention in Western Asia that can be applied in cookie cutter fashion across the region. However, there are several broad principles that can be integrated into development processes. The first is the overriding need for agencies working on socio-economic development to consider the political ramifications of their work. Programs should be optimized to reduce tension and promote not just growth, but equitable growth. Development projects should be as inclusive as possible, and conducted as locally as possible. This will give the program much needed legitimacy and support a culture of bottom-up decision-making in a region which has been defined by centrist, top-down planning. In cases where donors work with national level institutions, they should not be blind to the political economy questions involved, and ensure that the programs they have initiated reflect the real needs of communities and not the short-term political needs of the host governments which may have negative long-term implications for the stability of the country.

V. ON-GOING CONFLICT

Working on development projects in conflict zones requires a great deal of humility, creativity and patience. It is comforting to think that development aid can dramatically resolve conflicts, but history does not support this notion. Conflicts are most often created, directed and resolved by the parties involved in the fighting. The role of international development aid (as opposed to military aid) in conflicts is often peripheral. This is not to say that development assistance is irrelevant, but rather that development organizations involved in conflict resolution need to be realistic about the impact they can have in on-going conflict, and develop their strategies accordingly.

While working in conflict zones presents enormous operational challenges to aid agencies, it can also present real opportunities to support inclusive decision-making and economic reform. By definition, conflicts present fluid and unstable conditions where traditional structures are in flux. This volatility presents opportunities for much needed political, economic and social reform, particularly as countries move away from authoritarian systems of government to more democratic ones. This is not to say that international development agencies should be trying to impose entirely new and unfamiliar political or economic systems on a country. Such attempts lack legitimacy and typically fail. Rather the instability presents the chance to support dialogue around indigenous reform efforts as new leaders emerge in the country.

The determination of how and when to pursue development programs in conflicts will likely be the product of four determinants: Relevance, security, an organization’s mandate and community needs. Where there is a confluence of these four factors, an organization is most likely to achieve its greatest impact. International as well as domestic agencies need to develop a framework for sorting through these four factors to determine what is the most strategic use of their resources. Beyond the arbitrage of these four factors, there are two other important considerations for development agencies working in conflict zones. One consideration is tying humanitarian relief more effectively to long term development goals. The second is ensuring that aid does not inadvertently harm those it purports to help.

---

A. RELEVANCE

One of the greatest challenges facing development organizations working in conflict zones is that of relevance. Relevance here is used to loosely denote having an impact on the bigger picture. Given the enormity of the tasks and the relatively marginal role that much development aid plays in conflicts, it is often difficult for aid organizations to leverage their assistance to provide meaningful impact. Development organizations operate in a world of limited resources. A fundamental tenant for well-run organizations with limited resources is to use their resources to maximum advantage and for the greatest possible impact. Since achieving socio-economic growth in countries suffering from open warfare is difficult, a priority for all development actors should be to help end the conflict.

This is, of course, easier said than done particularly in conflicts such as occurring in Iraq or OPT which host foreign as well as domestic combatants. Political negotiations and military battles are far more likely to resolve these conflicts than development projects. However, in complex emergencies development assistance can play an important role in addressing grievances which may be contributing factors to the conflict. And, just as importantly, development assistance will play a key role in reconstruction when major elements of the conflict have been resolved and the task of rebuilding begins.

B. SECURITY: CHALLENGES

Security is a primary concern for organizations working in conflict zones and often plays a determining role in what type of program can be implemented and when. Protecting staff and partners is clearly of overriding importance and no development program is worth having people killed over. However, insecurity is part and parcel of working in conflict zones and organizations need to develop guidelines for managing risk. If nearly absolute security is a requirement for an organization, it should not work in conflict zones.

Organizations working in volatile environments, beyond ensuring the safety of their staff and partners, need to ensure that their programs have the ability to function in the midst of insecurity. Given the speed with which conditions in conflict zones change, organizations must have some form of contingency planning to ensure that their programs are prepared for different operating environments. In many environments, the security situation seriously circumscribes the types of activities which can be done. In Iraq, where kidnapping and murder are real threats for both Iraqis and foreigners, it is extremely difficult for international agencies to maintain a visible presence in the country.

C. SECURITY: OPTIONS

There are a variety of options for organizations working in extremely insecure environments. In the most difficult places, such as Iraq or Somalia, many organizations maintain their offices outside of the country and only visit the field sporadically. This is the least desirable scenario for development organizations, as it doesn’t allow for close oversight and monitoring of the program. Lack of field presence also means that organizations have a harder time responding to emerging conditions in the field and find it harder to pinpoint the appropriate response to new challenges.

The options for working under such conditions are limited but can still be effective. The inability of foreign organizations working directly on projects can be an opportunity for to find strong and trustworthy local partners to work with in the conflict. This both enables an “on the ground” presence and builds up the capacity of local organizations. Where foreign organizations can’t have any visibility, it presents opportunities for local organizations to raise theirs. Bringing people and partner organizations out of the country for trainings, workshops and other forms of capacity building is another means of pursuing technical assistance and building the capacity of national counterparts without subjecting them to undue risk. While this isn’t ideal, it allows international organizations to improve their understanding of the conflict environment, cultivates relationships with local actors and prepares them for in-country activities when security improves.

National government agencies, of course, have little choice but to try to operate during the conflict, no matter how difficult the circumstances. Improving the quality of police and security forces is a top priority since
without some rudimentary level of law and order, it will be very difficult for any significant socio-economic growth to occur. Helping empower local governments is also often a high priority as it lends credibility and legitimacy to the government. It is important to emphasize the role of local leaders as government officials (as opposed to their other possible roles as tribal or sectarian leaders). Without making this distinction, national governments or international agencies working with local leaders can inadvertently reinforce tribal or sectarian interests over those of the state.

In areas where violence is episodic and does not specifically target international organizations, such as the OPT, there is more room for operations, but programs are subject to the same risk of interruption and delay due to surges in conflict and closures. In these environments, the key challenge for international agencies is developing a mechanism that enables organizations to anticipate when and where violence might occur and then hedge against these upsurges in violence and closures.

There are an almost infinite number of variables influencing the likelihood, location and targets of violence. In some cases the general timing and location of violence can be predicted with reasonable certainty. For example, in Afghanistan, there have been upsurges in violence in the spring along the border with Pakistan when the mountain passes thaw. In other cases, there is a strong chance of violence due to political events, like elections, which can be predicted with relative ease (although not necessarily the precise time or location). Understanding the temporal and geographic patterns to fighting can help in project planning as it enables aid organizations to avoid geographic areas or times of year where there is a reasonable certainty of renewed hostilities.

In other cases, when and where violence will occur is less predictable. However, even in cases where upsurges in violence are not geographically or temporally concentrated, there are often warning signs before it occurs. Numerous organizations have attempted with varying degrees of success to develop early warning mechanisms to predict when there is an increased risk of hostilities. While it is impossible to predict with 100% certainty when violence will occur, the indicators used in early warning mechanisms can be useful barometers for international agencies seeking to develop programs in countries facing episodic violence. They provide warning signs that can be factored into an organization’s program planning and decision making process.

Program responses to intermittent violence depend a great deal on the type of project being pursued. Programs focusing on something like rehabilitating crucial infrastructure, for example, may have little choice other than to wait out the upsurge in violence. However, in a program that is focusing on capacity building of government officials, the agencies coordinating the activity can hedge against potential violence by conducting the trainings in secure areas. In some cases, episodic violence may prevent an international organization from working in an area due to security restrictions, but the work may be viewed as possible by a local organization based in the area and which has a better understanding of the security situation. In these cases, working through local proxies can be an effective way of continuing the program despite volatility.

D. ORGANIZATIONAL MANDATES

An organization’s mandate and comparative advantage will largely determine what activities it will implement in any given conflict. An organization which focuses on health care, for example, will not focus on mediation efforts no matter how urgent the need. However, even if an organization working in a conflict zone is not directly working in the political arena to support peace efforts, their assistance should not be blind to the political ramifications of their work. This is necessary both so that their work doesn’t inadvertently contribute to the conflict and, additionally, so that it is part of a larger effort to support a peace process. If the primary development need of every conflict-affected country is peace, than all organizations which focus on sustainable development should direct their assistance to work towards the termination of hostilities.

There are several ways for organizations to leverage their assistance to achieve greater impact while still conducting programs within their mandates. First, coordinating assistance with other donors is crucial. It both ensures that aid isn’t wasted through programmatic overlap, and it enables organizations to use their assistance to complement the work being done by others thereby achieving a greater impact than if they were
operating on their own. Coordinating assistance also ensures that organizations do not lose sight of the big picture that their assistance operates within.

Tying humanitarian aid to development is another useful function organizations can play while staying within their mandate. International organizations that provide some form of direct service, whether healthcare, education or otherwise, can exponentially increase the reach of their work if they use their assistance as a means of developing local capacity to carry out the same programs.

This is beneficial on a number of fronts. First, it achieves long-term development goals while also fulfilling necessary short-term needs. Second, it ensures the sustainability of service provision beyond the tenure of the international organization. Third, it makes economic sense as international organizations typically have quite high operational costs since they need to pay international staff and include some provision for headquarters’ operational costs. This money can go even further if it is channeled into the local economy. And finally, in areas with long-term episodic violence, such as OPT, it ensures a more balanced provision of service. When there are spikes in violence, international organizations tend to withdraw staff which can cause interruptions in service. Local organizations are more likely to remain and so could provide more reliable service if their organizational structure and human resources are strengthened.

E. COMMUNITY NEEDS

Given the overwhelming needs that are often found in conflict zones, it is necessary to step back and think strategically about how to prioritize those needs. As already noted, it is not enough for an organization to merely to identify one need among many and develop a program around it. It must identify the needs, analyze which programs addressing these needs have the greatest potential impact in the pursuit of peace and, among these, which are feasible in the current security environment.

For organizations whose mandate is centered on helping countries pursue long-term development goals, there is an additional challenge. It is difficult for organizations to maintain their focus on long-term goals when their attention, and that of their national counterparts, is consumed with never-ending short-term crises. Even when they do manage to focus on long-term goals, events on the ground change so rapidly that long-term development planning is quickly undermined.

There are a number of devices to address these challenges. The first is to develop a series of short-term programs that address long-term strategic goals. Segmenting programs into shorter but related goals, ensures that program goals can be adapted rapidly to an evolving security situation. Say, for example, it is determined that a strategic long-term development goal is having free and mandatory education for all children through primary school, but levels of violence preclude doing any significant infrastructure work. Rather than wait for violence to subside before launching a massive, nationwide effort, donors can focus on shorter-term initiatives that will form building blocks for future efforts. Short-term initiatives which focus on strategic issues such as revamping curriculum or educational finance reform can prepare the ground for larger and more long-term efforts once peace arrives. And these efforts can be done with limited financial resources and at low risk to participants in the programs.

When a peace process is finally initiated, much of the groundwork will have been completed. Networks of concerned members of the government, civil society and educators will have already been formed, hopefully with the result that there will be strong trust between these segments of society. Having strong networks from a cross-section of society on any given issue will help speed the decision making process when peace arrives and it becomes time to initiate longer-term development planning.

F. TYING HUMANITARIAN AID TO DEVELOPMENT

Another key strategic goal for development work in conflict environments is to tie relief efforts more closely with long–term development goals. International relief agencies typically do an excellent job in responding to crises by providing timely relief in the form of food aid, shelter, other non-food items and health care. While these relief efforts are tenable in the short term, they become increasingly unsustainable in conflicts which drag on over the course of several years. In protracted conflicts, such as the Israeli-Palestinian
conflict, long-term assistance in the form of relief can actually have negative side effects both economically and socially. Continuous receipt of handouts provides a disincentive to work and can prove to be generally demoralizing for the recipients.\(^{38}\)

There are a number of ways to use humanitarian assistance as a means of pursuing long-term development goals and reduce the negative effects associated with dependence on humanitarian assistance. The first is to use local markets and businesses as much as possible to source materials to ensure that the development funds stimulate economic activity locally. Reducing dependence on imports by developing local capacity to produce simple but necessary items also ensures that the value of the money spent extends beyond the cost of the purchased items. Developing this capacity reduces unemployment and has added value in terms of social capital.\(^ {39}\)

Additionally, international development actors can play an important role in building up the capacity of national NGOs to implement relief projects. International NGOs often partner with national NGOs during the implementation of relief activities, but these activities rarely include a formal capacity building component for the local NGOs. International organizations funding relief efforts can help reduce dependency on international NGOs by including capacity building for local organizations in their work plans. Particularly needed are trainings around such issues as financial management, organizational structure and project development/proposal writing. The inability of national NGOs to comply with international accounting procedures is frequently cited among donors as one of the reasons for working through international NGOs rather than local ones.

For conflicts such as the Israeli-Palestinian conflict, development planning is complicated by both the Israeli occupation and the effect of global politics played out within the region. Unfortunately, development organizations need to plan for this disfunctionality. While one wants to remain optimistic that the possibility of peace in the near future remains, it is safe to assume that the current trend will continue and planning efforts should accommodate the worst case scenario: spikes in violence, Israeli incursions into Gaza and the West Bank, and the disruption of economic and social activity through border closures and the destruction of infrastructure. Planning efforts therefore need to accommodate the unfortunate conditions in which Palestinians are now living.

Since, for example, Palestinian economic activity is largely agriculturally based, but almost entirely dependent on the Israeli market, then development projects need to work towards a diversification of marketing away from Israel. If produce is being lost due to closures, then international assistance should focus on a diversification of the agricultural sector to non-perishables or into value added food processing. If the food processing facilities face the prospect of destruction in attempt to undermine Palestinian economic activity, efforts should be made to diversify into several smaller facilities rather than one large one and so on.

This is merely meant to serve as an example of how scenario planning should be incorporated into development planning. And while one wants to hope for the best, he should prepare for the worst, and plan on how he will overcome the unique challenges put before him. Governments operating under difficult circumstances, such as those found in Iraq or the OPT, should also go through a process of evaluation, analyzing the circumstances they are in, taking into consideration the human resources they are working with, and then set realistic goals for development projects that will be able to operate even in the midst of conflict.

G. THE RISKS OF AID IN CONFLICT ZONES

While organizations should be thinking about their assistance in conflict zones as part of a larger strategic political initiative to pursue peace, in practice, many don’t. Many international development organizations arrive in conflict zones with their particular toolbox of programs, and try to paste them onto the current conflict. Even organizations which have proven more flexible in


\(^{39}\) Ibid, pg. 9.
responding to volatile environments, such as those working in the field of humanitarian assistance, have been traditionally reluctant to view their assistance as part of any political processes. Humanitarian assistance, it is argued, should operate outside of politics.

There are well-grounded reasons to avoid the politicization of humanitarian and development assistance by tying it too closely to peace processes or other political initiatives. International organizations rightly worry that if their assistance is politicized, they will undermine their neutrality and be viewed as participants in the conflict. However, there is a fine line between studied neutrality and burying one’s head in the sand. It is unrealistic to think that humanitarian or development assistance provided in the midst of conflict will ever be viewed completely neutrally by any party in the conflict. There are numerous cautionary tales about providing development and humanitarian assistance in the middle of an ongoing conflict.

In conflicts, humanitarian organizations frequently take on the role as primary providers of food, shelter and health. In conflicts involving rebel movements, humanitarian aid becomes tempting a target for the rebels or armies who frequently divert aid away from civilian populations to feed their soldiers. The fact that humanitarian aid is often seized by combatants raises the uncomfortable question of whether the aid merely serves to prolong the fighting.

There is often a maddening lack of clarity in the moral calculus of providing assistance when there is a high chance that combatants will divert it for their own use. For example, during the brutal civil war between the Sudanese government and the southern rebel movement, the Sudan People’s Liberation Army, aid intended for civilians was diverted by the SPLM to feed its soldiers. Even though relief organizations were aware of it, they continued their operations. Why? Some felt the desperate condition of people in southern Sudan warranted the continued relief operation even though some of the aid did not reach its intended target. To stop aid was to sign the death warrant for untold numbers of civilians through starvation and disease. Others continued their operations because they felt some sympathy for the SPLM, which was fighting against what they perceived as a repressive regime.

The dilemma exists today as well in the current conflict in Darfur, where the rebel movements Justice and Equality Movement and Sudan Liberation Army routinely carjack aid shipments to feed their soldiers. Is this merely prolonging the conflict? Without the aid, however, potentially thousands more Darfurians could die from malnutrition and disease. The tipping point between helpful and harmful is by no means a black and white picture, but rather a gray scale.

In some cases, the moral picture is clearer, but the international community is slow to grasp what they are confronting. This was the case in Rwanda, where the UN and international humanitarian organizations set up a massive relief effort in eastern Zaire for Rwandan refugees fleeing across the border. The refugees, however, were comprised largely of Rwandan Hutus including the Interahamwe who carried out the genocide. The Interahamwe used the refugee camps and humanitarian assistance to mount attacks back into Rwanda after being driven out by the Tutsi-led militia, the RPF. Thus, the international community inadvertently found itself in the unenviable position of playing host to perpetrators of genocide and even unintentionally providing them with the support to launch more attacks.

In Iraq today, the insurgency routinely targets organizations working on development or reconstruction efforts in an attempt to stifle any visible signs of progress in the country. The incentive for the insurgents is to slow the rebuilding process and to undermine the legitimacy of the central government. Even relatively innocuous development assistance, such new schools or health clinics, can become part of a larger political dynamic. Thus organizations working in conflict zones that ignore the political context in which their development assistance operates, do so at their own peril.

---

42 Ibid.
43 Author’s interviews with aid workers in Darfur.
Incidents such as occurred in Rwanda have led to soul searching within the humanitarian relief world and eventually led to more detailed thinking on when and how to intervene in complex emergencies. Books such as Mary Anderson’s “Do No Harm: How Aid Can Support Peace - or War” reflect the evolving thinking on this subject, and assert that ignoring the environment in which aid operates threatens to harm the very people it is trying to help. There are no easy answers to the question of when and how to intervene. But it is the responsibility of international organizations to ensure that their assistance is helping not hurting its intended beneficiaries. The only way to do this is by remaining well informed about how aid is being used and consistently reassessing the strategic goals of the assistance.

VI. POST-CONFLICT

The process of developing programs for post-conflict environments entails many of the same challenges as those found in conflict zones. The post-conflict period is marked by a great deal of uncertainty, volatile politics and sometimes violence. The key distinction between the two phases is that typically in the post-conflict period there is some form of peace process or larger political compromise to support.

Post-conflict environments are typically marked by the overwhelming need for rehabilitation of key infrastructure, including roads, educational facilities, government offices and health care facilities. Beyond physical infrastructure, post-conflict environments also suffer from weak to non-existent government institutions, severely deteriorating public services such as education and health, along with heavy damage to private homes, farmlands and businesses. Long years of conflict often result in the deterioration of human resources through death, emigration and destruction of educational facilities.

A. DEVELOPMENT ASSISTANCE IN POST-CONFLICT SETTINGS

There have been several important findings from research into the role of development assistance in post-conflict environments. World Bank research has suggested that countries emerging from civil conflicts have an unusually high chance of returning to conflict in the first decade after the end of the conflict. This conclusion would seem to be supported in both East Timor and Afghanistan where there have been resurgences in violence in 2006, several years after the end of large-scale hostilities in both countries. The research also indicates that post-conflict countries have an atypically high need for aid, roughly double that of other countries, and that this aid is more productive in post-conflict contexts than other situations.

It further shows that one important constraint on the effective use of aid is absorptive capacity of host countries immediately following the cessation of hostilities. While typically donors and international aid agencies deliver the majority of their resources in the year or two immediately following the end of the conflict (at which time the conflict typically gets the most public attention), this is not necessarily the most strategic use of aid.

Countries suffering from conflict inevitably suffer losses in terms of their human resources, whether through death, emigration or destruction of educational facilities, as well as government infrastructure and institutions. The immediate years following the conflict typically see a gradual improvement in capacity and infrastructure as people return or are trained, and infrastructure rebuilt. Thus aid should be incrementally increased in the first five years after the conflict, allowing time for improvements in the country’s absorptive capacity. Under this system, aid would increase annually and reach its highest level five years after the end of the conflict after which it would then begin to taper back to normal levels.

45 Mary Anderson, Do No Harm: How Aid can Support Peace- or War, Boulder: Lynne Rienner, 1999.
Given the overwhelming needs found in post-conflict environments, and given the sense that they are all crucial, it is easy to be daunted by the scale of the tasks ahead. It is important for national decision-makers and international organizations working in the post-conflict environment to think strategically on how to jointly approach the reconstruction process. There are several key considerations in identifying where to engage in the post-conflict environment.

A key first step in post-conflict reconstruction and rehabilitation is identifying the lynchpins of the peace process, and directing development assistance to support them. Often the key initiatives in need of support are already clear since peace treaties often state explicitly what are the conditions for peace. Typically some form of power sharing and security realignment is part of the peace process, but often the peace treaties set out specific development goals as a condition of the peace process. In cases where development goals are not made explicit in the peace treaty, international development agencies need to work in partnership with national-decision makers to prioritize development planning.

In Sudan, for example, the UN and World Bank worked with government officials to conduct a Joint Assessment Mission (JAM) which laid out the framework for relief and development efforts after the end of the civil war between the North and South. Besides laying out development priorities, these large assessments can also provide useful political cover for international and national organizations, particularly in places where the government has traditionally been mistrustful of the intentions of international and national NGOs. They are not without their disadvantages, however. These documents can be so exhaustive and all encompassing, that they are not of particular use to small international organizations as they initiate their own strategic planning. And the Assessments themselves can take a long time to conduct, compile and then get approval for. Smaller international organizations typically have the comparative advantage of speed and so may not want to wait indefinitely for larger processes to be complete before they begin their activities.

In other cases, there will not be any clearly stated development map as part of the peace process and international organizations may have not conducted a joint assessment mission with the host government. In such cases, international organizations will have to do more work on their own to identify the key components of the peace process and develop a strategy accordingly. Their evaluation process needs to include discussions with a broad swath of the society they are trying to help, including national and local government officials, community leaders, members of the press, members of religious organizations and so on. These discussions should inform international organizations about the crucial efforts that must be completed if the peace process is to move forward.

If, for example, a key component of a peace process is the redrafting of a constitution or conducting elections, development agencies should devote their resources first and foremost to these activities to ensure they are successful. Should these processes fail, other reconstruction activities will also be doomed. Given the wide range of international and national actors that are involved in post-conflict reconstruction, there obviously needs to be a division of labor so that not every agency is working on the same issue. However, development agencies, both national and international, need to keep in mind the priority areas of the peace process and tie their assistance as closely as possible to support of these areas.

C. PEACE DIVIDENDS

Another key element of successfully working in post-conflict environments is showing rapid results on the ground. Following the cessation of hostilities, there are high expectations within the population that things will change for the better and will do so rapidly. For community members who are former combatants, there are often incentives to return to fighting and they need to see visible changes to demonstrate that things are in fact changing for the better. While it can be difficult to match people’s expectations (which are often unreasonably high, in part because of unrealistic promises made by politicians), showing some form of

“peace dividend” can help build support for the peace process and provide disincentives for people to return to fighting.

Given the need to show rapid results, it is often a good strategy to begin with small, easy to implement projects (“low-hanging fruit” is the popular buzz word in development circles). Beginning with a large and complicated problem, no matter how important, threatens to bog national and international efforts down and raise serious doubts within the beneficiary community about the ability of national and international agencies to deliver on its promises. Starting with easy projects, with high visibility and/or highly symbolic value, provides communities with a sense of progress, no matter how small, and thus builds support for the peace process.

In cases where people do not feel their lives have significantly changed as a result of a peace process, the seeds for a return to violence are planted. This was the case of Palestinians after the Oslo Peace Accords in 1993 where conflict and violence erupted in 2000 and was also the case in East Timor in the 1999-2006 period. Even when significant financial resources are devoted to improving conditions, it may not effect the perception that nothing has changed. This phenomenon needs to be considered carefully by national and international development entities alike. One means of countering this problem of perceptions in to be realistic from the beginning about the long hard road ahead and not make grandiose promises that clearly cannot be fulfilled. The government also needs to be transparent about what is being done and how much money is being used to do it. This involves a clear communication strategy and also engaging community leaders as much as possible in the planning process.

D. PROCESS DRIVEN RECONSTRUCTION AND CIVIC GROUPS

During reconstruction and rehabilitation, the process is often as important as the results. Broad community participation, at all levels, in the decision-making process ensures that the reconstruction process will have increased legitimacy. Projects for community rehabilitation which are initiated from afar based on the priorities of either central government officials or donors, without consultation of the beneficiaries, are less likely to enjoy the same level of support as those initiated by the communities themselves.

Furthermore, the process of community decision-making in prioritizing development needs is an important first step in connecting citizens to their governments. Top down development during the reconstruction process will pave the way for top down development later on. Devolving decision-making downwards, as close to the beneficiary community as possible, will ensure not only that development will reflect the real needs of the community, but will also go some ways to preventing the waste and corruption that frequently hampers large reconstruction projects. The reconstruction process thus can become a massive capacity building exercise for citizens in collective decision-making, project planning, community mobilization, transparency and financial accountability.

Process driven reconstruction will also help foster the development of an active and responsive civil society. Civil society, whether in the form of NGOs, religious groups, community groups, trade organizations or other associations, can play a key role in helping development planning. In process driven reconstruction they can form an additional source of critical input into the government’s rehabilitation and reconstruction efforts, and even help mobilize local communities to get involved. Similarly, with buy-in from civil society, these groups can help the government diffuse any tension that might arise, as they are often closer to local

---


communities and have more credible than local governments (particularly in places where the government has not been functioning because of conflict).  

It should be noted, however, that NGOs vary wildly in ability and seriousness. Civic organizations tend to multiply like mushrooms in the presence of foreign funding, and many have little to no capacity to implement projects, nor do they command much in the way of legitimacy. While there are many quality civic organizations dedicated to helping their constituencies, there are also many that are either rent seeking or acting on the behalf of political parties or individuals. There are many also NGOs that are well intentioned, but lack much in the way of skills or capacity. Thus international donor agencies need to be careful in who they pick and be aware of the track records of various local NGOs.

In the Middle East there is an additional twist in sorting through community-based organizations since many of the most effective civic groups, with the widest reach and greatest legitimacy, are Islamist. There has been reluctance on the part of Western donors and NGOs to engage Islamist organizations due to perceived differences in values. Among the issues most frequently cited as reasons for avoiding cooperation have been the Islamists’ uncertain commitment to democracy and their conservative social agenda. Western donors have felt more comfortable engaging secular NGOs which are more in tune with Western thinking on reform and social freedoms, but which lack the widespread legitimacy the Islamists have earned through their social programs. Deciding how to engage Islamist civic groups is one of the most important questions for development agencies in the Middle East, and remains the subject of much debate.

Finally, every peace process has its spoilers, those who have greater incentives to work against peace than for it. National and international organizations need to identify potential spoilers to the peace process and determine what can be done to involve them in the process. In the best-case scenarios, the larger peace process provides incentives for potential spoilers to join the political process and disincentives to resume fighting. These can sometimes be political programs, such as including potential spoilers in the government or providing a general amnesty to former fighters not involved in war crimes (such as was granted to former Taliban in Afghanistan). In other cases, the process involves specific development programs targeting former combatants to ensure that they have political, social and financial incentives to turn over weapons and reintegrate into society. These DDR programs (Disarmament, Demobilization, and Reintegration) usually involve a component of job training, small loans to start businesses or land for farming which are provided to former combatants as incentives to reintegrate into mainstream society again.

VII. OPERATIONS

Working in conflict and post-conflict environments requires both a long-term strategic vision as well as the dexterity to respond to events as they unfold on the ground. National and international agencies working on long term development issues typically have the former but find themselves hard pressed to provide the latter. There are a number of reasons why this has proven to be the case.

Problems begin at the planning stage, where traditionally the large international development agencies can spend months in program planning. Program assessments are often subject to several rounds of editing and

only get final approval for actions months from the time the assessment was carried out. By the time the assessment document is approved and a course of action determined, events on the ground have advanced to a point where the information in the assessment is largely irrelevant. While these processes may be useful and necessary in more traditional forms of development planning, they are major obstacles to effective programming in conflict and post-conflict environments. Time-consuming planning processes reflect a fundamental problem with many institutions (both national and international): national agencies may not be equipped to effectively develop programs while international organizations are often pre-occupied with satisfying internal or donor-sponsored planning requirements as in developing effective and timely assistance.

The planning stage highlights a key tension between traditional forms of development planning and planning for conflict and post-conflict environments. In traditional long-term development planning, the longer the research, the more people interviewed, the better the assessment. There is no doubt that careful planning and thoughtful analysis of a country's needs are important, but in conflict zones there is a tipping point in the assessment process where more research actually yields less useful information. In non-conflict environments, social and political change often occurs slowly and may only be visible over many months or even years. In conflict or post-conflict environments, however, the time horizon for social and political change is often extremely short, sometimes only a matter of days. The assessment process for new programs needs to reflect this unique characteristic. The program goals, the assessment process, and the programs themselves, should not be viewed as fixed items, but rather as moving targets.

The changes needed to make national and international agencies more flexible vary greatly depending on the agency and its operating style. For government agencies, one key to improving speed is devolving the decision-making to lower levels of government. There is often concern that in doing so, one is merely devolving corruption and inefficiency. The concern is a valid one and there is no guarantee that decentralized decision-making will yield better results. But empowering local leaders to prioritize their own development needs, and giving them the financial and technical resources to do so, will greatly improve the speed with which projects are implemented. Similarly, when there is corruption or mismanagement, local communities are often much more aware of it and able to react to it when it occurs at the local rather than national level.

For many NGOs, whether national or international, the greatest obstacle to speed in responding has traditionally been securing funding and meeting donor requirements. International NGOs, such as Oxfam, who rely more on private donations and community-based fundraising than on government or donor funding, have been subject to fewer restrictions in this regard and as such have been not been restrained by donor requirement in the speed of their response. In recent years, many other international NGOs have made a greater effort to broaden their funding base and decrease their reliance on unilateral sources of funding, such as USAID. This has enabled them to respond faster, and to be more creative in their programming options since they do not have to follow donor-mandated program designs. National NGOs can similarly achieve faster results if they develop successful plans to more effectively secure community-based funding and channel in-kind contributions from local communities, rather than rely on international donors or national government agencies for funding.

Donor organizations have also begun adapting to the conflict and post-conflict environments. Organizations such as USAID were challenged in the speed of their response by financial reporting requirements. International and national NGOs which received USAID funding had to first undergo an audit and meet financial reporting requirements. While these were easily managed by international organizations, local civic groups (which often had little to no experience with financial management) faced problems meeting this requirement and were thus either excluded from funding, or were subject to delays of six-months or longer while the audit took place. The length of the process severely curtailed the ability of USAID to utilize

---

59 Author’s interviews with development practitioners from the UNDP, USAID and other international organizations.
the knowledge and initiatives of local organizations at the time when they were needed most: during conflicts or in the critical window after the conflict had ended.

To improve the quality of their performance, USAID created an office specifically tasked with working in transitional countries and created a new mechanism to specifically address the needs of this environment. Grants within this office are awarded almost exclusively to local civic groups through an in-kind grant mechanism, and are administered through a contracting partner who satisfies US financial accountability requirements. Groups receiving grants do not receive cash directly, but rather receive all contributions in-kind from the contractor.62

This USAID office also shifted its mandate from long-term development considerations to short-term socio-political goals. The theoretical basis for this shift is that socio-political considerations are often a higher priority to the stability and long-term welfare of the country in the period immediately following the cessation of hostilities. The types of projects that are supported reflect this change in thinking. Priority is given to projects that support peace processes, push the political reform (without pushing a specific outcome) and promoting democratic openings. Grants are also very short term in nature (three months being the maximum duration) to reflect the speed with which events unfold on the ground. Speed of response is not a guarantee of success, however. Even short-term efforts need to feed into a larger political process, and eventually the development planning needs to shift from short-term imperatives to longer term planning as the country stabilizes.

CONCLUSIONS

Development efforts in Western Asia are inevitably affected by instability and conflicts in the region. The war in Iraq and the Israeli-Arab conflict are the most prominent sources of instability at present and the repercussions of these conflicts are felt across the region. The volatility generated by these conflicts, whether in the form of rising extremism or increased ethno-sectarian tensions, is further exacerbated by poor development policies in many other countries in the region. Low levels of education, high levels of unemployment, the unequal distribution of wealth and stagnant economies have plagued many countries, leading to the marginalization of large portions of their populations. Even in relatively wealthy countries, lack of reform in governance and the unequal application of the law has led to resentment and unrest, presenting the risk of further instability.

These conditions have proven a huge challenge to national and international development efforts in the region. Long-term development plans frequently find themselves overtaken by the rapid pace of change on the ground. Political volatility has also led to erratic government and donor policies which have frustrated development efforts. In places with open conflict, like Iraq and occupied Palestinian territory, the security of both staff and beneficiaries is an overriding concern and acts as the primary constraint on development programming. In other countries in the region, government restrictions often act as a deterrent to international development efforts and also curtail the scope and effectiveness of their activities.

Despite the many challenges of working in the midst of conflict and instability, international and national development agencies should not wait until the conflict has ended before beginning work. Rather, development agencies need to better adapt their programs to conflict zones through creative, innovative and rapid responses. Development policy on its own may not end occupations or insurgencies, but it can play a pivotal role in building the groundwork for any future settlement or peace process and can provide some alleviation for the suffering of the citizens in these countries.

Development agencies also should not ignore the impact of their development policies on instability in those countries not suffering from conflict. Incorporating a sensitivity to conflict into development programs will ensure that they do not inadvertently harm the people they seek to help.
RECOMMENDATIONS AND FINDINGS

Pre-conflict

- Socio-economic growth which is not equitable across ethnically or religiously diverse countries can threaten to plant seeds for ethno-sectarian conflict if one group is perceived to be disproportionately benefiting over another.
- National and international development agencies need to integrate a conflict-prevention strategy into their development planning process to ensure that development efforts do not add to tension and instability.
- Bottom-up development decision-making in development programs can reduce tension through the creation of legitimacy and community buy-in.
- Effective communication of development policies and programs is a central component of conflict prevention strategies, and needs to begin first within the government.
- Improving socio-economic growth and reducing domestic points of tension in the long run is exceedingly difficult without linking these efforts to improvements in governance and the rule of law.
- Imposing conditionality on development aid can either reduce tension through improvements in governance and the rule of law, or increase tension by mandating reforms which are either socially or politically unviable.

On-Going Conflict

- Successful development projects in conflict zones will occur in the presence of the following combination of factors: relevance, security, community needs and an organization’s mandate.
- All relief and development efforts in conflict zones should be aware of and tailored to the larger political context in which they operate.
- Humanitarian assistance in protracted conflicts should be tied more closely to development efforts.
- Successive short-term projects operating within a larger strategic framework are often more successful in conflict zones than long-term projects without the ability to adapt to changes on the ground.
- International development projects in conflict zones should include a specific component to empower local partners through technical assistance or capacity building to ensure the sustainability of development efforts.

Post-Conflict

- International and national development agencies should work together to formulate a joint recovery strategy for countries emerging from conflict.
- Both international and national efforts should focus on supporting “lynchpins” to the peace process.
- Seeing visible signs of progress after the end of the conflict is an important psychological factor in preventing a return to fighting. International and national development agencies should work to provide these “peace dividends”, choosing high impact and high visibility projects that are relatively easy to implement quickly.
- Reconstruction efforts should be process driven: broad participation in the reconstruction efforts is almost as important as the results of the reconstruction itself.

Operations

- National and international agencies need to improve their speed and efficiency in responding to the urgencies of conflicts.
- Development agencies normally focused on long-term planning should have specific departments with streamlined operations to ensure a faster, more responsive approach to development in conflict.