

# **USAID Workshop on Conflict Prevention Management**

**Workshop Report  
June 6–7, 2000**

**Sponsored by:  
The U.S. Agency for International Development**

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## **AGENDA**

**Purpose:** To assist USAID...

1. Develop an analytical framework for identifying the potential for conflict;
2. Establish the policy, criteria, approaches, and prioritization for responding to conflict and the potential for mitigation of conflict; and
3. Determine the Agency's role and capacity to preemptively address the root causes for conflict and the relationship of our assistance activities to the likelihood of conflict.

**June 6, 2000**

### **Keynote address**

Introduction: Thomas Fox, Assistant Administrator  
Bureau for Policy and Programs, U.S. Agency for International Development

*Topic: U.S. Foreign Policy and Conflict: The Need for Prevention*

Keynote Speaker: Dr. Jane Holl Lute, Executive Director, Role of the America Military Power (RAMPS), Association of the United States Army

Session organizers: Susan Merrill, Johanna Mendelson-Forman

### **Concepts, Terminology and Analytical Frameworks in Comparative Perspective**

Moderator: Dick McCall

*Topic: USAID and the Prevention of Deadly Conflicts* [PowerPoint presentation]

Presenter: Dr. Krishna Kumar, PPC

#### Discussants:

Dr. Johanna Mendelson-Forman, PPC

Thomas Beck, PPC

Dr. Michael Lund, MSI

Professor Howard Adleman

Session organizer: V. L Elliott

## **Luncheon address**

Introduction: Thomas Fox, Assistant Administrator, Bureau for Policy and Programs, U.S. Agency for International Development

*Topic: “Do No Harm: Foreign Aid and Conflict Prevention”*

Speaker: Dr. Mary Anderson

Session organizers: Susan Merrill, Johanna Mendelson-Forman

## **Case Studies**

Moderator: Keith Brown, Deputy Assistant Administrator, Development of Country and Regional Strategies, Bureau for Africa

*Topic: Overview: What’s Happening in the Africa Bureau.*

Presenter: Ajit Joshi, Conflict Team Leader, Bureau for Africa

*Topic: Conflict Analysis and the Development of Country Strategies*

*The Guinea Case*

Presenter: Harry Birnholz, Mission Director

*The Kenya Case*

Presenter: Tom Wolfe, Democracy/Governance Advisor

*Topic: Conflict Prevention/Mitigation, Strategic Objectives and Activities*

*The Senegal Case*

Presenter : George Thompson, Country Development Officer, 13-country Team Leader

*Somalia, Burundi*

Presenter: Jerry Cashion, Non-Presence Country Division Chief

*Topic: The Greater Horn of Africa Initiative (GHAI)*

Presenter: Ned Greely, Conflict/Democracy/Governance Team Leader

*Topic: IGAD’s Conflict Early Warning System (CEWARN)*

Presenter: Prof. Howard Adleman, Center for Refugee Studies, York University, Canada

*Topic: Conflict Analysis and Africa: Concluding Remarks*

Presenter: Keith Brown, Deputy Assistant Administrator, Bureau for Africa

Session organizers: Ruth Buckley, Ajit Joshi

*Topic: Nepal*

Presenter: Ricki Gold, ANE Bureau

*Topic: Central Asian Republics*

Presenter: Dr. Lawrence Robertson, E&E Bureau

Session organizer: Bill Renison

Wrap-Up: Dick McCall, Senior Policy Advisor, Office of the Administrator

### **June 7, 2000**

Tools and Approaches. Sessions are designed to cover the sources of conflict, tools and, approaches that AID has to deal with conflict prevention.

#### **Democracy and Governance: Justice and Security**

Moderator: Jim Vermillion, Deputy Director, Center for Democracy and Governance, Global Bureau

*Topic: “Transitions in Governance: The UNDP Framework and How It Is Being Made Operational”*

Presenter: Dr. Frank O’Donnell, Deputy Director, Crisis Management and Governance Division, UNDP

*Topic: “Achieving ‘Sustainable Security’ During Transitions”*

Presenter: Dr. Pauline H. Baker, President, The Fund for Peace

#### Discussants:

Dr. Nicole Ball, Senior Associate, Overseas Development Council

Sylvia Fletcher, Office of Transition Initiatives, Bureau for Humanitarian Response

Dr. Johanna Mendelson-Forman, PPC

Session organizer: Johanna Mendelson-Forman: “Crisis Prevention and Development Cooperation: The Role of the State”

#### **Economic Growth and Conflict**

Moderator/Discussant: Dick McCall, Senior Policy Advisor, Office of the Administrator

*Topic: “The Economics of Civil Wars, Crime and Violence”*

Presenter: Dr. Paul Collier, Director, Development Economics and Conflict Research Group, The World Bank

*Topic: “USAID, Economic Growth and Conflict”*

Presenter: Emmy Simmons, Deputy Assistant Administrator, Global Bureau

Session organizers: Bill Renison and V. L Elliott

### **Natural Resources and Conflict**

Moderator: Franklin Moore, Center for Environment, Global Bureau

*Topic: “Environment and Conflict: Background and Analytical Framework”*

Presenter: Geoffrey D. Dabelko, The Woodrow Wilson International Center for Scholars

*Topic: “Case Studies in Environmental Cooperation”*

Presenter: Dr. Stacy D. VanDeveer, University of New Hampshire

Discussant: Carl Gallegos, AFR/SD

Session organizer: Leslie Johnston

### **Land as a Source of Conflict**

Moderator: Dr. Jolyne Sanjak, LAC Bureau

*Topic: “Land as a Source of Conflict”*

Presenter: Professor Alain de Janvry, University of California Berkeley

*Topic: “Approaches to Conflict”*

Presenter: Professor John Strasma, Land Tenure Center, University of Wisconsin

Discussant: Dr. Klaus Deininger, World Bank Land Policy Thematic Group

Session organizers: Susan Merrill, Jolyne Sanjak, Jack Sleeper

### **Wrap-Up and Adjournment**

Dick McCall, Senior Policy Advisor, Office of the Administrator

CREDITS: All notes from this conference were compiled by CDIE’s Research & Reference Services Project’s Thomas Buck and Raymond Robinson.

## OVERVIEW

The keynote address set the workshop's overall objective: to better understand the place and role of foreign assistance within the context of U.S. national security and foreign policy. A fundamental goal of U.S. policy since WW II has been to help construct an international order of countries that can and do cooperate with one another. We have also sought to help the countries of that order become characterized by the rule of law, the effective guarantee of the individual's right to security of person and property, and the predictable, periodic, orderly transfer of power. American foreign assistance activities have, since their inception, had an important role in implementing this policy.

Now there is an erosion of cooperative order within the very countries that must be the building blocks of the international order that has been the hallmark goal of American policy for over 50 years. In the post-Cold War era, the effects of irredentist and separatist movements have impeded and, indeed, threatened the ability of the United States to achieve its goal. The breakdown of cooperative order and the outbreak of organized, collective violence sustained over long periods have made internal stability an issue of greater import and complexity perhaps than it was at the height of the Cold War. Yet this erosion and instability have often taken place in full public view. The world has failed to understand or accept the signaled intentions of the leaders of governments and opposition groups that have been at the center of the problem. The keynote speaker, Dr. Jane Holl Lute, cited this leadership and the direction of leadership as key variables in determining whether ethnic, religious or other factors would lead to violent armed conflict. There can be no sustained efforts -- and such efforts are the heart of the problem of internal conflict as it is relevant to U.S. assistance activities -- without leadership and a strong organization.

Many developing countries are faced with the mounting burden of losing their ability to dominate their respective polities. Specifically, control of armed factions, capital and rule making processes by governing bodies are sometimes being transferred to private sector groups or organizations. Programs cannot be carried out and opposition cannot be mobilized without leadership and organization and they are difficult to hide for very long. If USAID is to play a role in preventing conflict or, in at least alleviating some of its root causes, it must not continue to ignore or misread the directions taken by the organizations of government and opposition under their respective leaders. To be effective, USAID programs must be conceived of and designed for the world and conditions that they actually face. The concept of pragmatic intervention, i.e., determining what tools and interventions are appropriate and able to be applied, must be used. U.S. policy has been accused as being unfocused, stretched too thin, too full of high expectations and of having policy inconsistencies. We have to make policy choices about when to intervene and when not to. To do so we must recognize and understand what triggers the need for the decision. When faced with these triggers, the U.S. should keep in mind the ideas of pragmatic prevention and its primary goal which, from the perspective of foreign assistance, is often to secure the well-being of others.

In the following session, the discussion of concepts and terminology made it very clear that the Agency staff has a varied perception and understanding of what the problem of "conflict" is, and what the phenomena associated with conflict are. It is also clear that the terminology used is

sometimes inexact and not consistently applied. This lack of a commonly shared set of concepts and terminology results in confusion and presents unnecessary hurdles when trying to deal with internal conflict and the associated phenomena. There is a tendency to view internal conflict as armed conflict that is already happening or that has only recently ended. This leads to a peacemaking or an emergency relief approach to the problem. Our ability to respond then is defined by tools with which we are familiar but which may not necessarily be the best means for responding when the goal is to prevent the outbreak of organized, collective violence. The traditional tools of U.S. foreign policy include preventive diplomacy, peacekeeping operations, economic sanctions, arbitration and mediation, as well as assistance. For development assistance, the “tools” tend to not only be political, but economic and humanitarian as well. A key issue in their use is what role, if any, sustainable development programs can play in mitigating the root causes of conflict when applied late.

The problem of internal conflict is one that can take many years to develop. In terms of USAID’s entire set of tools, the problem of loss of order and growing instability can best be dealt with much nearer to the point at which broad-based cooperation within the general population begins to breakdown rather than after violent, organized conflict occurs. The question then becomes how to identify the problem early enough to put more of USAID’s tools to work effectively and, more to the point of the workshop, what is USAID’s role in gaining this earlier warning?

The peacemaking and emergency relief approaches are hardly unique to USAID. They are characteristic of many other donors whose policies and methods are heavily influenced by the historical role of the Red Cross. USAID’s links to other donor agencies therefore reinforce the tendency toward peacemaking and emergency relief methods rather than those of prevention. This causes a problem not only in developing effective means of prevention but also in dealing with other USG foreign policy and national security agencies. These organizations have a more strategic vision and understanding of instability and organized, violent, internal conflict. An important factor here is that the greatest understanding of the phenomena and problem and how to prevent them lie with these other USG entities and not with donor agencies. The Agency has to become more active in resolving these conceptual and definitional problems. It must also recognize there is no “clean” way to analyze whether and how to use USAID resources to intervene in a destabilizing situation. Policy remains an art form and not a science. Still, common concepts and definitions are necessary and will help at all levels.

The luncheon address helped define the limits within which donors must operate by sounding a cautionary note. “Do No Harm” must be our first concern and one that continues throughout our efforts. The simple presence of foreign assistance resources and activities can cause the outbreak of violence. For example, groups may initiate or continue fighting to gain control of commodities provided by foreign donors. Long-term programs that have not been carefully considered and properly monitored can undermine the fragile stability of vulnerable countries even though their purpose is to bring about rather than harm stability. For example, civil society activities mobilize small groups. Sometimes these small groups engage in activities designed to promote their own interest at the expense of others, i.e., to engage in rent-seeking behavior. This can contribute to the breakdown of cooperation beyond the parochial interests of the small groups. Yet it is the wider cooperation being lost that is needed to build broad political coalitions that are more



representative of the entire society. All donors must be aware of this problem and consciously work to overcome it.

USAID is faced with the need to help achieve overall American goals but in a more complex and dangerous world than we, as an Agency, have considered for some time. The first step in such an undertaking is to identify and understand what we have learned and to make those lessons available to Agency staff worldwide.

A region that has suffered terribly from the breakdown of order and collective violence is Sub-Saharan Africa. The Africa Bureau has led the Agency in recognizing the problems and attempting to deal with them. The afternoon session of the first day provided examples of some of the most effective activities and the planning and analytical methods used in their development and management. Perhaps the main lesson to be drawn from the Africa experience is that of the absolute necessity of being willing to recognize the problem, identify its actionable components early, and work forthrightly for its resolution. Denying that the problems exist or delaying action to deal with them simply make things worse, increasing not only the obstacles we face but the intensity of human suffering borne by those whom U.S. assistance is supposed to help. A third key lesson from the Africa case is that, even though the available analytical methods are inadequate, there are constructive means of identifying vulnerability and gaining an understanding of the problems a country faces. The Africa Bureau has been an Agency leader in developing or adapting warning methods, such as the Famine Early Warning System (FEWS) methods, and in attempting to design broad programs of response, such as the Greater Horn of Africa Initiative (GHAI). An important and relevant result is the Bureau's growing ability to take proactive, constructive steps early in the processes.

Other examples of how the instability and internal conflict problems have been approached in other regions were presented on Nepal and the Central Asian Republics. These presentations were especially valuable because the types of problems are very different. In the Nepal case, the Mission's program was 85% earmarked and there are few resources available to deal with the growing insurgency. Moreover, there seems to be little understanding of the scope and nature of the conflict, both in Nepal and in the donor community. It was very clear that the impediments to effective action are both imposed on and internal to the Agency. Once again, the need to be able to recognize the problem early was underscored as well as the need for understanding its root causes and components.

The entire second day of the workshop dealt with USAID's traditional, sectoral goal areas and their relation to prevention of conflict. An important lesson from the Democracy, Governance and Conflict session is the high priority that must be assigned to security sector reform (military, police and intelligence organizations). If this sector is not reformed and its ongoing reform properly monitored, then all of USAID's development activities are threatened, regardless of how well they may be implemented. Governance is critical across the entire spectrum of problems and issues faced by host governments and donors alike. However, because the security sector can be a threat to the fundamental guarantees of individual security of person and property, the rule of law and the acceptability of the courts, its reform must be given high, immediate priority.

Ten years ago, UNDP would pull out of a country in crisis, because it was not viewed as part of its mandate. The UNDP has come far since then. Currently over 50% of UNDP's activities falls under governance and 94 countries have these programs. UNDP has found that the strongest demand for its help is for helping strengthen the capacity of democratic institutions and governance. The general programmatic goals involve promoting good governance through 1) securing structural stability, 2) assisting countries in designing coherent policies, and 3) assisting in the pursuit of peace agreements.

Still, even with this very clear progress by UNDP, its record in working with crisis countries is checkered. It has invested rapidly in post-conflict programming, while there has been too little work done on preventive measures. UNDP's emergency response division has largely focused on disarmament and displacement, but has missed the boat on many core sociopolitical issues that development assistance can resolve. In non-crisis countries, governance dominates, but this has yet to affect UNDP programming in crisis countries. Clearly there is a leadership vacuum in this area and it is one in which the United States, through USAID, can play a key role according to the Economic Growth and Conflict session.

The lessons from the Economic Growth and Conflict session, like those of the first session, were important in developing a new understanding of the causes of conflict. The research findings presented by Dr. Paul Collier of the World Bank provided a unique and empirical perspective on the underlying, long-term causes of conflict. The key lessons were that countries that experience slow, erratic growth are highly vulnerable to conflict whereas those that achieve and sustain significant growth are not. The implication is very clear. Economic success helps resolve the political problem so starting the engine of growth --- and maintaining it --- is supremely important. A second point from this session that underscores the importance of governance and of the "Do No Harm" message, is that strong governments --- whether democratic or authoritarian --- are less vulnerable to instability and internal conflict than are weak governments --- whether democratic or authoritarian. Reform is essential but it must be carefully and knowledgeably planned and carried out. This is especially important to USAID because, among donors, the Agency's comparative advantage lies in our ability to address institutional changes, that is, to deal with reform of the rules like the laws, policy regimes and regulatory structures and their supporting organizations. Still, USAID is hampered by legal, funding strictures, tight budget and staff and external actors that leave little leeway and prevent the Agency from carrying out many of the broad-based activities essential for such reform. This is a problem that limits the entire Agency, geographically and functionally.

With the demise of the Cold War, there has been a systematic attempt to redefine the concept of security- moving away from the concept of security as the state's ability to protect itself and maintain its borders. Instead, there is increasing interest in broadening the idea of security to include newer and more non-traditional threats that can undermine the stability of a country. An area that is beginning to receive some attention within the Agency is the linkage between environmental degradation and conflict. Although environment alone is not a sufficient cause of conflict, scarcity caused by degrading the environment contributes to migration, undercuts economic activity. It can lead to domination of natural resources by elites and, in this world of failing states, environmental degradation can lead to the weakening of states. The environment/conflict link did not really get attention until after the Cold War ended. Its focus has

been primarily on interstate conflict based on the internationalization of rivers that had, previously, been internal to the former Soviet Union. In the last few years however, more attention has been directed at how environmental degradation within a country can cause or contribute to internal conflict. The case of Chiapas in Mexico is probably the most well known example. The Chiapas problem was complex. The intrusion of outside interests into the forests and land of the region resulted in the loss of security of person and property for many of those who lived in the region. By degrading the forests, the intrusions reduced the ability of those people to live in their traditional areas and there was a violent reaction. Environmental activities must be cognizant of the potential negative impact of both environmentally degrading practices as well as the programs to alleviate them. Here we must be doubly certain to do no harm. Again, the importance of governance is underscored since a primary role of national governments must be to prevent the kind of intrusions and resulting exclusion that happened in Chiapas. The fact remains though that, in spite of the Chiapas example, while the environment/conflict link is quite real, the problem is usually more of a contributing and complicating factor than it is a direct cause of internal conflict. It is nevertheless very real and ever present in countries in which the misuse of environmental resources is a common and destructive practice.

The relationship between land and internal conflict was the subject of the final sessions. A very important insight to emerge was that the problem of land is one of exclusion of individuals from the basic guarantee of security of person and property and of equal access to and equality before the law. It is made worse by the lack of supporting systems, such as cadasters and financial markets, but the problem is at the most basic level of human rights. In the case of Guatemala, the Peace Accords raised expectations that these fundamental problems would be resolved. But, to date, fewer than 3,000 individuals have received their promised land. Clear title remains a problem and the acceptability of the courts as the means of settling the problem is at issue. The problem is complicated by the fact that, in some areas, property is held communally by ethnic minorities. These minorities often have practiced communal ownership throughout their histories and the practice accepted within their communities for hundreds of years. The imposition of new forms without the supporting capabilities of sound governance, can have highly negative impact. The possibility of resulting organized, violent, conflict is very real in these circumstances.

## **GOING BACK TO THE FRONT LINES: A PERSONAL VIEW**

By Richard McCall

This two-day workshop was one of the more fascinating events in which I have participated over the past two years. It brought together academics, USAID and other development practitioners, and policy-level officials with vast experience in the field of conflict. If there was one single conclusion that was reached, it was how much the world has changed in the past two decades and the difficulty with which the Agency currently struggles to deal effectively with this new, but messy and unstable post Cold-War reality.

Whether it is a pre-conflict, crisis response, and/or post-conflict transitions, the workshop agenda allowed participants from Africa, ANE, LAC, and E&E Bureaus discuss both opportunities and constraints they confront in operating in this new environment. We definitely heard about the need for the Agency to have better analytic tools to understand conflict and apply lessons-learned; better designed country strategies; and programmatic interventions to deal with causes of conflict. Our staff also emphasized the frustration over our limited capacity to work in these difficult environments given personnel cutbacks, budgetary earmarks and the changed U.S. foreign policy framework in which we operate.

In the keynote address, Jane Holl Lute, former Executive Director of the Carnegie Commission on Deadly Conflict, stated that our overall objective should be to understand better the place and role of foreign assistance within the context of U.S. national security and foreign policy. In noting a frustration felt by members of the development community as we attempt to assess and delineate our role in preventing conflicts, Ms. Holl outlined a framework and role for USAID and development assistance. In this context, there is a role to consider for development assistance in the area of conflict prevention to support what she called the “creation of capable states” that are resilient to instability. This will be a critical focus and policy issue for the next Administration.

The goal of U.S. policy since WW II, has been to help construct an international order of countries that can and do cooperate with one another. As was pointed out in a number of panels and papers presented at the workshop, the erosion of this cooperative order and eruption of conflict is today a very serious problem. That breaking down of order and the outbreak of organized, collective violence sustained over long periods has made internal stability in the countries in which we work an issue of great policy importance to the United States, perhaps more than it was at the height of the Cold War. Significant media attention has been devoted to this erosion of political stability and ensuing instability, often resulting in a backlash in public opinion over U.S. policies and crisis management interventions.

As I outlined in closing the workshop, using the change emanating from the break up of the former Soviet Union and emergence of Russia as an example, much of the world has failed to understand or react to this new reality and challenge, particularly our own institutions. This presents a challenge for USAID, as an organization, for us as individuals, and for those external

oversight bodies that set policy direction and make funding decisions on the use of development, humanitarian and foreign economic assistance resources.

To be effective, USAID programs must be conceived of, and designed for, real world conditions to which we are compelled to respond. Emmy Simmons, in discussing economic growth and conflict at the workshop, asked this simple question, “is it possible for USAID to reduce the risk of conflict?” In answering in the affirmative, she outlined both lessons learned and conditions necessary for USAID programs to contribute effectively to the reduction of the risk of conflict and violence. I suggest that you read her remarks carefully as they outline real possibilities and serious constraints. She gives attention the kind of development resources we need in many of these situations, economic growth and democracy governance programs, both of which are in very short supply. Some cynics are beginning to call us a social-welfare agency not well attuned and provisioned to meet real world needs. This is a fundamental challenge that must be addressed.

We are considering having a follow-on workshop in the fall after the elections with an external audience to focus discussion on cooperation, instability and conflict and the role of development assistance. I hope this will stimulate a debate within the foreign affairs policy community that will help address some of the many issues raised during the June workshop.

The two-day workshop provided me a chance to hear in-depth about much theoretical work that is being applied to our own practical needs by Agency field staff who operate on the front lines. Africa was very much in the forefront because of the enormity of the problems on that continent and crisis prevention work being undertaken by the Greater Horn of Africa Initiative. All geographic regions shared the wealth of their experience. I commend to you the brief synopsis of the two-day workshop in order to give you a better sense on the work that is going on. I invite you to peruse the agenda that is hot linked to the individual sessions. Through links to other web sites outside the Agency you can then get a better sense of the discussions of the actual work being done by our missions. You may even listen to some of the speakers at the workshop to catch the flavor of interactions.

Please stay tuned!

## **INTRODUCTION OF KEYNOTE SPEAKER JANE HOLL LUTE**

by  
Thomas Fox  
Assistant Administrator  
Bureau for Policy and Program Coordination  
United States Agency for International Development

*June 6, 2000*

Good morning and welcome to the USAID Workshop on Conflict Prevention and Mitigation. Since the late 1980s, both the scale and frequency of civil conflict has grown exponentially. The number of internal state conflicts vastly outnumbers the number of inter-state wars and, in the last decade, the nature of conflict has changed dramatically. Modern internal conflicts are fought primarily with conventional weaponry yet affect more civilians than ever before. More civilians, primarily women and children, are generally killed in these internal conflicts than are soldiers. Internal wars are becoming more and more costly, both in human and financial terms.

A wide variety of factors have influenced this dramatic shift in the nature of war and conflict. Hence, the tools and interventions that U.S. foreign policy has traditionally used to deal with them must change. Since the 1940s, U.S. foreign assistance has played an integral role in the foreign policy arsenal in a wide variety of countries undergoing problems of stability as well as during actual warfare. The cases of Greece and Korea are obvious examples. But we have used our foreign assistance for other purposes as well. We in the American foreign assistance program have had the privilege of implementing some of the most enlightened policies any government has ever pursued in its foreign policy. We have helped countries free themselves from that most efficient oppressor, great and intense poverty. And, we have gone on to help them establish the means of opposing oppression of any kind. We have been a key player in the U.S. effort to make people free both economically and politically. With the growing realization that deadly conflict is not inevitable and can be prevented, the question is now what role can a foreign aid agency play in the arsenal of weapons against deadly conflict?

We have learned many lessons in this process; not all of them have been pleasant or easy. One of the most difficult has been about conflict and development. Sustainable development requires the economic growth many countries fail to achieve. "While those countries that do not achieve economic success may have failed for reasons other than the outbreak of large-scale collective violence, countries in which such violence does occur almost inevitably fail to achieve economic success." (Brough and Elliott, 1999) This is an iron law. It is a large part of the reason we are here today.

Our purpose here is begin the process of developing the understanding needed to perform our functions. First, we must understand where American foreign assistance fits in 21st century foreign and national security policy. Then, as part of a growing international effort to evaluate the nature of these internal conflicts, we must determine how the international community might deal with them.

Our first speaker, Dr. Jane Hull Lute, will speak on the topic of “U.S. Foreign Policy and Conflict The Need for Prevention.” Dr. Lute is well versed in this subject matter and is a well-recognized authority. She is currently the Executive Director of the Project on the Role of American Military Power at the Association of the United States Army (AUSA). Prior to her RAMP assignment she was Executive Director of the Carnegie Commission on Prevention of Deadly Conflict. She came to Carnegie from being the Director for European Affairs on the National Security Council Staff at the White House. A career Army officer, Dr. Lute served as a policy action officer on the CENTCOM staff in Saudi Arabia during Desert Storm and was an Associate Professor in the Department of Social Sciences at the United States Military Academy at West Point. Dr. Lute holds a Ph.D. in Political Science from Stanford University and a J.D. from Georgetown University Law Center. Yesterday, she was sworn in as a member of the Virginia Bar. Dr. Lute brings a broad and extensive experience to this topic and we are indeed fortunate to have her as our keynote speaker. Please welcome Dr. Jane Holl Lute.

## **Keynote Speaker: Dr. Jane Holl Lute**

Executive Director,  
Role of the America Military Power (RAMP), Association of the United States Army

*June 6, 2000*

The speaker opened by stating that she believed that she was addressing a frustrated audience - members of the development community attempting to assess how to delineate the role of the United States in preventing conflicts. There has been a continuing disagreement about the role of the U.S. military in preventing conflict, and some have advocated complex doctrines about when the U.S. should get involved. Instead, a simpler litmus test of American roles and interests would be more productive: to promote well-being for all people.

Religious persuasion, ethnicity, or other traits are not the determining factor in violent conflict. It may explain why groups have disagreements, but it does not explain the slide to violence. Instead, two variables are more valid indicators:

- governance--the relationship of leaders to the people they lead
- direction of leadership (This means that you can foresee the slide toward autocracy, for example, when leaders cancel elections, militaries take over domestic portfolios, capital flight (all early warning indicators.)

It is the motivation and persuasiveness of leaders that turn what would otherwise be riots into full-fledged violent conflicts; this makes conflict a problem of governance, not other traits such as ethnicity or religion, as has been argued by Samuel Huntington and Robert Kaplan.

Two variables make a certain group of people susceptible to conflict: deprivation and discrimination. These two characteristics, however, are merely inchoate feelings of frustration unless they are manipulated by leaders able to motivate the disaffected. Yet the leaders themselves can be manipulated as well. Because of increasing interdependence among states, all wars, including intrastate conflicts, have an international element. Pressure can therefore be brought to bear on leaders of conflicting groups. This ability and desire to apply pressure in crisis situations takes on more importance because civilians are adversely affected by conflict; more civilians are killed in conflict than combatants. For example in World War I, the ratio of combatants to civilians killed was nine to one, since the end of the Cold War, the ratio has been reversed.

Many developing countries are faced with the mounting burden of losing their ability to dominate their respective polities. Specifically, control of lethality (or armed force), capital, and rule-making processes are being transferred to private sector groups or organizations. This has brought government to the local level, but is also shunting the larger state government aside.

While the role of rule-making has been often taken over by private sector groups, it has also been internationalized as well, which has reduced the role of central governments. Governments have come to rely on each other in such supranational issues as global "housekeeping" and justice.



Coupled with American dominance of this system, this signifies that U.S. interests can be tied to peaceful resolution of these conflicts.

Two possible models for conflict are emerging: first, a 'Wild West' or 1920's Chicago model, in which combatants engage in violent conflict in order to secure power and to determine the system by which a state is ruled. Post-colonial states tend to go down this road, because colonizers usually fail to prepare the new state for self-governance, and a lack of a 'cleansing war' which settles the question of how a state is to be ruled. The second, and more favorable, model of conflict is a preventive model, which has three imperatives. First, it is important to prevent dangerous factions, coalescing around feelings of deprivation or discrimination, from initiating violent conflict. In order to do this, it is necessary to create 'capable' states - states that are relatively competent in responsible governance, promote pro-market policies, nurture a robust civil society, and encourage rule of law. Second, ongoing conflict must be prevented from spreading. Economic and military assistance to the state or neighboring states may be required. And third, preventing violent conflict from recurring is extremely important. One mechanism for achieving this goal is by creating space between parties in conflict to allow leaders to orient themselves away from conflict.

Obviously, a model of prevention is preferable to a model of conflict. Supporting this model, however, requires keeping in mind two premises: freedom from fear and want is best achieved under a free and democratic form of government; and that while outside aid may not be able to resolve conflict, it does provide the margin of victory in preventing conflict from occurring. An effective strategy for preventing conflict includes the following principles: creating policy in-depth, a presumption of transparency, and providing adequate resources for effectiveness.

Owing to the various complexities associated with foreign aid, a good concept to keep in mind is 'pragmatic prevention', which can be summarized as 'educate young women, employ young men'. U.S. policy has been accused of being unfocused, too stretched, too full of high expectations, and having policy inconsistencies. It also has to make policy choices, or 'triggers' - actual decisions about when to intervene and when not to. Hence, the U.S. expended extensive resources to rescue an American pilot in Bosnia, while not intervening in Rwanda to prevent or stop genocide. When faced with triggers, the U.S. should keep in mind the ideas of pragmatic prevention and its interest in securing the welfare of others.

## **SESSION I: CONCEPTS, PROBLEMS, AND TERMINOLOGY ON CONFLICT**

Dr. Krishna Kumar

*June 6, 2000*

Krishna Kumar set the tone for the session by stressing a main theme: what can USAID do in the field of conflict prevention? The issue of conflict prevention must be approached as a development practitioner would approach it. The focus of the workshop should not be on causes to conflict per se, nor on the details of conflict, but on USAID's role and potential role.

The Agency and the development community in general are confronted with important cleavages and divisions. On a basic level, there are those who come from a firmly anchored development angle challenged by those practitioners approaching the subject from a new conflict prevention perspective, which follows U.S. strategy more closely. Other important cleavages pit sector programs and officers against one another in missions. Conflict prevention by its very nature requires cross-sectoral programming efforts, incorporating, for example, DG, EG or Humanitarian elements. A third division involves the lack of communication between USAID and other major development agencies, such as UNDP. Too little institutional communication and program harmonization remains a major block as the development world moves into conflict prevention programming.

Traditional conflict prevention tools include preventive and two-track diplomacy, peacekeeping operations, economic sanctions, and arbitration and mediation. Kumar posited that USAID needs new tools if it is to be successful. Indeed, the Agency needs a different conceptualization of conflict prevention itself. The development community's efforts at intervention in conflict tend not to be just political but economic and humanitarian as well. Specifically, development assistance can contribute to conflict prevention by 1) reducing poverty and deprivation, 2) generating resources for building political and legal institutions, 3) supporting democratic institutions. Sustainable economic growth is a critical precondition to supporting democracy. An important lesson is that development assistance can also contribute to conflict itself ("hijacked aid").

There are three categories of countries for conflict prevention development programming: postconflict countries, states in conflict, and vulnerable societies. In postconflict societies, assistance must follow an integrated development strategy. The cross-sectoral synergy alluded to above is key to preventing relapses of conflict. Economic development should not be isolated as the only avenue for prevention. Secondly, experience has shown that tension exists between macroeconomic reform and the stability of the government in postconflict countries. The requirements of the former, in other words, tend to entail severe social costs. Thirdly, conflict prevention programming in postconflict countries is a long-term process. For every two steps forward, there is one step back. Why have there been successes in postconflict countries? First, the parameters of the conflicts are known. Second, peace agreements and accords usually have built-in frameworks for follow up efforts. Third, postconflict countries are often overwhelmed by war fatigue.

In countries in conflict, well-planned, well-intentioned humanitarian relief can perpetuate conflict. Assistance can provide resources for conflict. Conversely, international assistance can be channeled to consolidate sources of peace. Aid, in other words, can provide an inducement for peace.

Vulnerable societies provide a different set of variables for conflict prevention. There are three possible paths to intervention in these countries: development grounds, ethical considerations, and political pressure. Yet intervention in vulnerable societies also invites questions and issues. First, how can societies vulnerable to conflict be successfully identified in time? Second, who should build an effective early warning system? The Agency would need to spend enormous sums to build its own. Other early warning systems exist in the international community (e.g., FEWER). The Agency could also draw from other government sources, such as the CIA. Third, should USAID work in all vulnerable societies? Or should it work in the few in which it can make a difference? Fourth, does USAID already have programs that can be introduced in vulnerable societies to minimize conflict? Most countries in conflict or in a pre-conflict phase have already received much aid. USAID itself cannot transform or control structural conditions. It cannot solve ethnic hatred or other issues.

Four potential avenues for intervention exist. First, USAID can invest in mass media interventions. Second, peace committees and conflict resolution programming can be supported. Third, vulnerable communities can be targeted with special assistance. Fourth, USAID can promote security sector reforms, although the Agency has a less than auspicious record in this final category.

#### **Discussant: Dr. Johanna Mendelson-Forman**

Conflict prevention is a function of good governance. Governance, as the World Bank puts it, affects the “capacity to operate.” But how can AID best influence this capacity? As summarized by Krishna Kumar, conflict prevention programming needs to focus on an “integrated agenda” (i.e., cross-sectoral programming). Not only is this an intellectually difficult agenda, but there are institutional constraints and rules within AID holding it back.

Several development challenges stand out. Security is a critical sector in which donors can make a difference. Without stopping the flow of guns and other weapons, without the creation of an effective judicial system, without job creation for demobilized soldiers, the proper environment for preventing conflict will not exist. The development community needs to come up with a list for vulnerable societies, a list for directing the right kind of aid. Early warning remains a major program. International assistance forces do not have the capacity to respond well when the situation calls for it. Also, the international community needs to better understand what makes a “vulnerable society.” As breakdowns in Latin America are currently showing, transitional societies can be classified as long-term vulnerable societies. Critical military-civilian issues remain, as does an unsustainable income gap. Access to justice is still not a right, but a privilege.

### **Discussant: Tom Beck**

There has been an explosion of activity in the conflict prevention sphere among donors and international assistance organizations. Programs and activities range from the specific to the broad. Understandably, there are terminology problems among different donors and too little coordination to clarify them. Conflict analysis itself occurs at different levels depending on the donors and programs. There have been efforts to bridge the gaps, however. Foremost among them, USAID has created a coordinating forum called the CPR, which bring together 30 donors two to three times a year to discuss conflict-related development issues. The meeting leads to a joint analysis of a particular topic, whose results are shared on a CPR web site. The next meeting will highlight one particular country at risk.

Several key donors have plunged into the conflict prevention field. The European Commission has initiated an impressive array of policy developments, including a sponsoring the Conflict Prevention Network (of NGOs). They have also put out a practical tool entitled Prioritizing Development Assistance, a worksheet that looks at 16 different problem areas in the field. There is also a Practical Guide for measures once problems have been identified. The UN has several useful programmatic mechanisms. A Framework Exercise was launched in 1995 to coordinate all major UN Agencies and the World Bank as they move from identifying preconflict situations to response. The exercise is meant to bring consensus on preventive responses and early warning issues. The UN has also set up a Training Exercise which seeks to build the institutional capacity for conflict prevention throughout the UN. The Conflict Prevention Network is very much involved in this endeavor. Bilateral donors such as the UK, Canada, Germany, Sweden, Denmark, the Swiss and the Netherlands have set up projects and programs or are in the process of doing so.

Two major challenges stand out within the donor community as a whole. First, there are many different kinds of approaches to the field. How can these approaches be best coordinated? Second, how do you best keep conflict analysis dynamic and ongoing? The issues themselves are fluid; situations, variables, and the conflicts themselves evolve. Agencies need to be flexible to these changing elements. There's an enormous body of work within the academic and NGO worlds. This needs to be more effectively tapped.

### **Discussant: Michael Lund**

Are all the right questions in Krishna Kumar's paper? Several additional issues need to be addressed: mandate, efficacy, implementation, and coordination. Regarding the mandate issue, does USAID have a clear commitment to conflict prevention? At this point it remains uncertain whether conflict prevention is an official policy. What is the Agency's mandate for conflict prevention? In terms of donor efficacy, what makes effective preventive action? Put another way, what kinds of interventions work? Perhaps one way of looking at the issue is by focusing on the question of scale. The scale of donor efforts has not always matched the scale of conflict.

Further, who should do what? The implementation of conflict prevention programming is a very tricky issue. There is as much a vertical dimension to its institutionalization in donor agencies as a horizontal one. Management, in other words, needs to adapt to the programmatic changes as

much as sector practitioners. Is conflict prevention separate from other sectors? Country missions need the operational capability to implement conflict prevention strategy. Coordination remains a thorny issue. For USAID and other donor agencies, internal coordination between sectors needs to be streamlined. At the same time, inter-agency coordination must be improved.

Certain lessons have already been learned. USAID and other development agencies are best placed to work in preconflict and postconflict situations; they are not well placed to work in continuing conflict environments. Donors cannot contain genocide. In conflict prevention programming, the emphasis is often on the needs of the minorities. Donors should be aware of the risks entailed in this perspective. By siding with minorities, fears and passions can be inflamed on the majority side.

### **Discussant: Howard Adleman**

Another quantitative factor can be added to the definition of deadly conflict: the number of combatants. Moreover, experience indicates that analysis of a conflict prevention situation should identify potential spoils and spoilers to peace? Are there actors who simply do not want resolution? A key lesson pits the short-term versus the long-term. Development-based programming is not necessarily effective in solving short-term conflict issues. In the short-term, Western policy makers have empowered the wrong actors, like Kabila in the Congo.

### ***Questions and Answers***

Q: If a USAID mission has 80 percent of its budget earmarked for health, how can conflict prevention be integrated into a program?

A: This is a major limitation, and perhaps why conflict prevention cannot be implemented in all countries. Still, there can be no development without stable security. Sometimes resources are not allocated because the issues have not been effectively presented to Congress.

Q: Can't USAID work better with other U.S. Agencies, such as the Department of Defense?

A: Agencies are often generations apart on issues. There need to be mechanisms to bridge the gap.

Q: Is the Agency culturally mature enough to deal with the cross-cutting nature of conflict prevention? Many development and humanitarian practitioners within cling to what they know. Meanwhile, other agencies' programs are often counterproductive for USAID's purposes. Some agencies, the military for example, do not know how to approach USAID.

A: Clearly, the Agency needs to come to an internal agreement as a first step. Government agencies in general need to understand among themselves that they can't handle the conflict beast on their own.

## **Introduction Of Luncheon Speaker Mary B. Anderson**

Thomas Fox  
Assistant Administrator  
Bureau for Policy and Program Coordination  
United States Agency for International Development

*June 6, 2000*

The previous speakers have provided the foreign policy/national security and conceptual context for U.S. assistance. These are proactive ideas. But there is a cautionary note for both policy makers and practitioners. Foreign assistance resources, used without careful thought, can cause and worsen conflict.

The mere presence of these resources can be an incentive for groups to initiate or join in ongoing conflicts. Somalia and Rwanda may provide examples of this situation. Improperly designed activities can alter the incentives for small, stabilizing groups such as villages, to retain or release members. Consider, for example, what happens when food aid is used to feed city dwellers, thus increasing supply and driving down the price of locally produced grains. Another case would be when assistance activities increase the local demand for labor, driving up wages and initiating a rise in local prices. These cases have important implications for insurgent recruiters. For policy makers it is essential to remember that the failure to pursue and achieve sustained economic growth can also be de-stabilizing. For example, consider the cases of assistance activities supporting poor policy regimes in the Andean region during the 1970s and 80s. The resulting economic contractions led to demographic shifts which, in turn, contributed to increased production of illicit crops.

Our next speaker will discuss this cautionary note. Dr. Mary B. Anderson is an economist and president of the Collaborative for Development Action, Inc. Dr. Anderson has written extensively and the most relevant of her publications for us is a book, *Do No Harm: How Aid Can Support Peace -- or War*. She has wide experience working with multi-lateral, bilateral and local development agencies and specializes in promoting development strategies that are grounded on understanding local as well as national capacities.

Since 1995 Dr. Anderson has directed the Local Capacities for Peace Project. She launched this project to learn more about the relationships between humanitarian and development assistance and conflict. The project is a collaborative effort of a number of donor governments, international and indigenous NGOs, and multilateral aid agencies. Its purpose is to learn from past experience how aid may be provided in conflict settings so that it helps local people disengage from their violence surroundings. By learning how to do so without worsening the conflicts, it is possible then to help local people develop alternatives for addressing the problems that underlie their conflict.

Dr. Anderson received her BA in economics from Mount Holyoke College and her Ph.D. from the University of Colorado. Her academic appointments include:

- MIT;
- Radcliffe College; and
- Harvard University.

She has served as:

- A program officer with the Harvard Institute for International Development
- Chair of the Office of Technology Assessment's Advisory Panel on Low Resource Agriculture in Africa;
- Chair of the International Division Executive Committee of the American Friends Service Committee;
- Board member on Natural Disasters of the National Academy of Sciences;
- Member of the Editorial Advisory committee of the UN Development Fund for Women; and
- Presently member of the Editorial Advisory Group of the journal, Development in Practice.

It is my distinct pleasure to introduce to you, Dr. Mary Anderson.

## **“Do No Harm: Foreign Aid And Conflict Prevention”**

Dr. Mary Anderson

*June 6, 2000*

“Do No Harm,” or the Local Capacities for Peace Project, comes semantically from a meeting with doctors who actively used health as a tool for peace. The “Do No Harm” idea comes from a drive to create a Hippocratic oath for development workers. The notion behind the oath, both for doctors and development practitioners, is that harm can be done in the long run. With the oath, doctors commit to learning through their own experiences.

To this point, five lessons can be drawn from Do No Harm. First, conflicts occur for many, many reasons, from the “good” to the “bad,” and there are many different levels of commitment to conflict on the part of those involved. A good reason for conflict might be that physical confrontation is the only way to achieve liberation or put down a repressive regime. There is, put simply, a large range of reasons. In addition, a wide continuum of people’s commitment to conflict exists. While the leaders may be committed, many people may not be. Yet even when a populace is disassociated from conflict, war is often the only option. There is little space for objection, or withdrawal from the process of conflict mobilization. Wars are framed in terms of power; by nature, they are a struggle for power. The choice is to dominate or be dominated. Often times, however, people are not as committed to war as their leadership. If they see the conflict as a manipulated process, people can be helped. On the other hand, deep ideological commitment does not invite a helpful intervention. Practitioners must find ways to gauge the level of commitment in order to gauge whether wars can be prevented.

Second, more people do not fight wars than do. A vast majority of countries encumbered by problems and reasons that might lead to conflict simply do not explode in conflict. In other words, real barriers to conflict exist. Third, outsiders do have great influences on a conflict situation. Many involved in conflict have counted on the United States for guidance of one form or another. Similarly, development agencies have an impact on the likelihood of warfare, whether they mean to or not. If a society is conflict prone, our aid or lack of it will have an effect. To withdraw from an area or to stay has major influences on the situation.

Fifth, there are sets of institutions, systems, and processes in all societies that link people across subgroup divisions. These can be shared interests and common practices. Such a norm can be called “functional harmony.” Conversely, there are also shared systems and processes that divide people. International aid affects the things that divide and unite people, particularly in case where conflict has already begun. Shared benefits, in fact, should be the bedrock of conflict prevention language. Instead, the language has often emphasized one side over another. The development community must come to a better understanding of the things that unite and divide in a particular society.

Aid influences connectors and dividers in several important ways. First, there are distribution effects. In a situation in which groups are pitted against one another, “who” we give “what” is tremendously important. Second, there are marking effects. Assistance has influence on wages,



prices, and profits and can increase the incentives for people to dominate each other. Third, there are substitution effects. If donors assume responsibility for institutions and systems, they effectively free up local populations to concentrate on warfare or mechanisms of conflict. Caretaking liberates time and resources necessary for conflict. Fourth, there are legitimization effects. International assistance can legitimize war leaders, institutions of war, and war mechanisms.

Donors and the international assistance community do possess the tools to address conflict prevention. Health, for example, is a connector. Health workers often cross lines of conflict and have the freedom to operate on different sides. Donors must examine how their aid increases or promotes divisions in a society. So far, there has been a dramatic failure to do so. Early warning systems tend strongly to focus on dividers, not on connectors. In other words, donors should look at the positive cases, the countries in which connectors seem to have outweighed the dividers. Why have Kenya, Burundi, and Albania, to name but a few, remained relatively stable compared to their neighbors? Truly, knowledge about connectors is a form of conflict prevention.

### *Questions and Answers*

Q: Are connectors actually forms of cooperation?

A: Connectors are often not seen by the actors involved as such. Electricity grids, for example, are shared by two sides in conflict out of necessity, but they should be seen as connectors by outsiders. Connectors can be shared values, common experiences, or shared symbols and occasions.

Q: Can connectors actually have negative effects? A caste system could be an example of this.

A: A caste system is not a connector, but a divider. On the other hand, negative connectors do exist, like mafias. Obviously, donors need to be careful about supporting negative connectors.

Q: Should donors and assistance groups avoid working with social bandits?

A: This falls under the legitimization issue. Sometimes the international assistance community cannot avoid working with social bandits. The critical issue is how donors work with them. Do bandits provide any kind of stability? Often, aid can relate to the legitimate parts of illegitimate rulers (e.g. warlords). There are good examples of this.

Q: Why has there been such a poor understanding of dividers and connectors till this point?

A: Generally, analysts were so aware of the complexities and problems behind a conflict that they could not see the positives, or connectors, which readily exist.

Q: How can donors and NGOs institutionalize Do No Harm lessons?

A: There needs to be a culture for change in the organizations themselves. There also need to be individuals in agencies who effect big change.

## **SESSION II: DEMOCRACY AND GOVERNANCE: JUSTICE AND SECURITY**

### **“Transition in Governance: The UNDP Framework and How It Is Being Made Operational”**

Frank O'Donnell, Deputy Director,  
Crisis Management and Governance Division, UNDP

*June 7, 2000*

UNDP has zeroed in on governance in recent years due to its failure to create strong institutions. Conceptually, UNDP's overarching goal is poverty eradication. Governance fits by fostering the enabling environment for this goal. Currently over 50% of UNDP's activities falls under governance. 94 countries have programs, and the strongest demand is to help strengthen the capacity of democratic governance institutions. The general programmatic goals involve promoting good governance through 1) securing structural stability, 2) assisting countries in designing coherent policies, and 3) assisting in the pursuit of peace agreements.

Ten years ago, UNDP would abandon a country in crisis. The Programme has come far since then. Its record in working with crisis countries is checkered, however. It has invested rapidly in postconflict programming, while there has been too little work done on preventive development. Many in UNDP see preventive development as nonsense. Development by definition is preventive, they say. UNDP's emergency response division has largely focused on disarmament and displacement, but has missed the boat on many core sociopolitical issues. In non-crisis countries, governance dominates, but this has yet to affect programming in crisis countries. UNDP has released two main reports examining governance and conflict: Governance Foundation for Post-conflict Situations and Promoting Conflict Prevention and Resolution. Both can be found at the “Governance in Crisis” subsection of the UNDP website:  
<http://magnet.undp.org/>.

There have been major changes worth noting in UNDP's approach towards conflict in recent years. First, the interdepartmental UN framework (mentioned by Tom Beck the previous day) has had an effect. It has helped bring out critical issues and broader perspectives and has become a kind of early warning system for the UN. For the UN's various agencies involved in conflict, it has become an effective network of sorts and not just a system for sharing information. Second, the UN has attempted to craft a strategic framework in one country only. The country picked, however, could not have been more problematic for this purpose: Afghanistan. Most critically, it was not a postconflict country and remained wracked by continuing civil war. Not surprisingly, the framework quickly became heavily dominated by a humanitarian agenda, with governance issues falling by the wayside. Guidelines have recently come out for Sierra Leone, but like with Afghanistan, they are heavily dominated by a humanitarian agenda. Put simply, UNDP and the UN are making mistakes by picking the wrong countries. East Timor could be a more successful scenario for a strategic framework. Also, the UN needs to learn how to bring in non-UN agencies into the process as it crafts a strategic framework in countries.

## **“Achieving ‘Sustainable Security’ During Transitions”**

Pauline Baker, President, The Fund for Peace

*June 7, 2000*

Many NGOs are currently struggling with the same issues as the UNDP. They have been struggling to come up with practical tools for early warning and postconflict programming. The Fund for Peace has produced a manual for practitioners that emphasizes a systematic approach. The driving standard for this manual has been “sustainable security,” or the ability of a country to solve its own conflict-related problems. How is sustainable security achieved? The main avenue is not the creation of democracy, per se, but the rebuilding of institutions. Four main types of institutions have been identified: 1) justice, 2) the police, 3) the military, and 4) the civil service.

Practitioners have come a ways in rebuilding police forces, and they are beginning to work with justice institutions. Little has been done with military reforms, however. Most importantly, agencies have focused the least on rebuilding civil services. Governance is more than representative government; it is the capacity of a government to deliver the goods. Herein lies the manual’s major focus. Democracy building is a very different enterprise than reconstituting a failed state. At the same time, the democratic side of institution building cannot be ignored by, for example, focusing on elites in the reform process.

The manual has outlined 12 negative indicators for sustainable security. These indicators are social, political, and economic.

1. Are there major signs of mounting demographic pressure?
2. Is there mass movement of refugees and/or IDPs?
3. Is there a legacy of vengeance-seeking group grievance or group paranoia?
4. Is there chronic and sustained human flight? This differs from the previous point in that the movement is voluntary by nature, e.g. braindrain.
5. Is economic development uneven along group lines?
6. Are there signs of a sharp and severe economic decline, as in Indonesia?
7. Is there evidence of criminalization and delegitimization of the staff?
8. Has there been progressive deterioration of public services?
9. Has there been a suspension of rule of law?
10. Does the security apparatus show signs of being a ‘state within a state.’
11. Has there been a rise in factionalized elites? Put another way, do elites tend to come from one ethnic group or faction?
12. Are there external parties to the conflict? These can range from outside states, as in the Congo, to potential do-gooders like the World Bank, whose programs can promote tensions.

The Fund for Peace has developed a conceptual framework involving three stages and using each of the 12 variables. Using the variables, it is possible to measure whether a country has improved or slid backwards towards conflict?

Congress pushes USAID for end dates in its involvement in countries. End “states” should be the goal instead. This is the key to sustainable security. In addition, agencies and practitioners should be careful in the sequence of their efforts. Elections need to be timed right. Does it help if an ethnic nationalist party is duly elected? Institution building should come first. The timing is critical for preventing a recurrence of conflict. Right now, one of the weakest links is early warning. Practitioners are much too simplistic in how early warning is conceived.

**Discussant: Sylvia Fletcher, OTI**

*June 7, 2000*

There has been much talk of prevention and postconflict issues, but what of conflict itself? The most costly efforts are intractable, mid-crisis conflicts. Most conflicts themselves can be classified as mid-crisis. What is preventive development? Can't this be defined as development without failure?

The idea of a programmatic continuum stretching from humanitarian assistance to sustainable development has been disproved by experience. The two are not mutually exclusive, particularly in conflict interventions. USAID's crisis response efforts need more integrated development, taking the best from both humanitarian and development traditional programming. The two sides of the continuum should be linked. In a crisis country where development is failing, USAID could do better not to throw out development programming completely, but integrate it into crisis management.

UNDP's framework, outlined previously, is not strategic or operational enough. Its weakness lies in over-analysis. Crisis mentality by nature leads to selectivity - what are the make or break, do or die issues. Development agencies are not focused enough on the “strategic vision” outlined by Frank O'Donnell. Such a strategic vision should integrate rapid response with development issues, with the unifying element being the integrity of local institutions.

**Discussant: Dr. Johanna Mendelson-Forman, PPC**

*June 7, 2000*

Sustainable security is a critical and fascinating issue. Conflict prevention is impossible unless agencies like USAID get security right. Altogether there are four issues that need to be examined. First, informed and timely analysis is largely lacking. How can effective analysis best be had? Second, donors need to take a security-first approach to governance. Third, the Agency should look at the stovepiping of our efforts in the DG sector. Lastly, the role of spoilers should be more closely scrutinized. Donors often fail to take spoilers into account.

## **“Crisis Prevention and Development Cooperation: The Role of the State”**

Dr. Johanna Mendelson-Forman, USAID, Office of Policy Planning and Coordination

*June 7, 2000*

The consensus that violent conflict is the greatest challenge to development in the next century is what brings us here today. What fuels such conflicts, and how state actors respond to or fail to respond to these political challenges may be the next frontier where developmental experts must pioneer a way to engage policy makers in an important dialogue about bridging their geopolitical objectives with basic human security needs.

The study by the government of Germany underscores what in practice we see is happening: that the old principles under which development cooperation takes place, sustainability and partnership/ownership must be adjusted, and even redefined in situations where conflict occurs. Moreover, the greater political development needs, as identified by foreign policy of a particular state are critical if we are to integrate a response that prevents conflict from escalating. Making this happen, however, is the greater challenge in bureaucracies that fail to see the changes around them.

How donor governments respond to conflict and its prevention is often challenged by bureaucratic obstacles that deliberately obfuscate the lines between development needs and political realities in any given bilateral relationship. Even the mere fact that development agencies are sometimes removed from the political decision-making process often affects the very outcome of strategies to prevent, let alone reconstruct societies torn asunder by warfare and violence.

I would categorize the types of prevention obstacles into the following categories:

- Bureaucratic barriers
- Communication gaps among actors, state and non-state - e.g., the failure of many development agencies to address governance reforms in the security sector as one blind spot in prevention.
- Lack of policy cohesion between traditional development objectives and the changing climate of international assistance.

There are also the important issues in U.S. policy between strategy gaps expressed in our national security strategy and those of our development objectives. The overlap is sometimes unclear, or indistinct. (For example, USAID is now making poverty reduction a central theme, and it has been indeed engaged in this area, but it fails to take into consideration the linkages between human security and global poverty, even in light of the World Bank surveys.)

The United States is a big bureaucracy.

Many new actors have entered the conflict prevention arena - including the Department of Defense, Department of State, USAID, and even Treasury through its work on military expenditures.

What is driving conflict prevention, however, is not an objective with obvious remedies, and it is treated as a separate field of inquiry rather than a part of governance, economic growth or environmental security. The cross-cutting nature of conflict prevention is really the first step to understanding and providing action toward a genuine set of operational policies in this area.

USAID has many loci of prevention activity, but only in the last month has an effort been made to work them through a multi-sectoral approach, with representation from different parts of the agency.

Humanitarian assistance is still considered a side-show, disaggregated from prevention work, but rather discussed in terms of conflict mitigation.

Transition work looks at reconstruction as a prevention activity, i.e., preventing the re-igniting of violence, but it has yet to link it to the follow-on development activities.

Work in governance has also been disconnected from the early prevention needs, in many ways a reflection of some of the stove-piped approaches still predominant in the strategies that are used in the field.

Integrated strategic planning, a process that took into consideration cross sectoral programming in the context of the crisis in the Greater Horn of Africa, is being applied in the Africa region, but it has yet to take root.

Issues: How do current development tools limit our options for prevention response? Does the U.S. ignore the work of international organizations at our peril? How can a culture of prevention become a part of a culture of development? Can we instill a “do no harm” approach into our strategic thinking? Must we sit at the table with our partners at State and DOD and create a new paradigm for working in the national interest?

Questions must be answered so that we all use the same vocabulary and definitions for our approaches.

USG must move toward an understanding of how we will advance this process.

To do so will require greater efforts to first understand the needs of countries “in special circumstances” and creating an operational approach to prevention that can be implemented in spite of geopolitical concerns. Even if we use third parties, other partners, or other means than USG sources, we must develop a consensus on how to work in this field, and this is still a project for the future.

## SESSION III: ECONOMIC GROWTH AND CONFLICT

Emmy Simmons, DAA, Global Bureau

*June 7, 2000*

I want to move the discussion now from science to art...specifically, the art of crafting externally-funded programs that meet two conditions, first, that they reduce the risk of violent conflict internal to a country and, second, that that reduced risk is perceived as a development “success” and therefore worthy of continued external funding. I want to conclude with a few speculative remarks about the potential for growing inter-state conflict in an increasingly global world.

First -- Can an externally-funded program (such as one funded by USAID) reduce the risk of violent conflict internal to a country?

According to the analyses of Collier and his colleagues, the risk of violent intra-state conflict is raised when a number of factors are trending in directions that raise individuals’ and groups’ incentives to rebel against established authority at what they perceive to be relatively low personal costs.

On the incentives side, we find a number of political, economic, and social factors -- potential to increase political power, to better incomes, to gain access to resources needed for further increasing incomes and power, etc.

On the costs side, we note the provision of the instruments for rebellion by others (the diaspora), low opportunity costs for time spent (as incomes are low), and unvalued social or political cohesion.

As has been said by other presenters at this workshop, programs externally funded by governments or public organizations can affect this balance of incentives and costs -- both wittingly and unwittingly.

What is definitely true is that external assistance is never neutral.

So, recognizing this, is it possible for an external organization like USAID to craft an assistance strategy in conflict-prone countries that will actually reduce the risk of actual conflict?

In theory, I would say yes, but in practice I think it depends (1) on how conflict-prone the particular country is, (2) how politically-important the country is to the US, (3) the relative scale of resources (both financial and human) that the U.S. is ready to bring to the situation, and (4) the past history of USAID programming in the country.

On the YES side:



We at USAID do know a lot about how to foster broad-based economic growth -- and therefore about reducing poverty. We understand about policy dialogue and institution building -- about developing ownership and capacity. And we have a firm grasp on the underpinnings of democracy and governance -- particularly with regard to the evolution of civil society, local organizations, and the rule of law.

We are not seduced by the “easy fix” of tapping natural resources without building the other institutions that a modern market economy requires: trade openness, macroeconomic stability, a rule of law, increasingly skilled human resources, access to technology and the human and institutional capacity to use it to increase productivity.

But we are also keenly aware of the relative ineffectiveness of development assistance when the host government policy environment is not ‘right’ and the institutions are too weak to support a partnership. The recent David Dollar paper nicely lists some lessons of experience:

- Financial aid works in a good policy environment
- Reform happens when societies desire reform
- Effective aid complements private investment
- The value of development projects is to strengthen institutions and policies so that services can be effectively delivered
- An active civil society improves public services

Yet these are exactly the conditions that are NOT likely to be present in a conflict-prone country: NOT a good policy environment, NOT a good climate for private investment, BAD institutions to deliver services, and a civil society that is disorganized and alienated from the larger government.

When you combine these unpromising country conditions with the reality of limited assistance budgets and USAID leaders will always go for greater effectiveness rather than less. This may be called the “Dollar and Sense” constraint to pursuing an aggressive conflict prevention strategy. We are aware of the DOLLAR conditions for effective aid so it makes SENSE to focus assistance in those countries (or “select” those countries) where they obtain.

There are other organizational characteristics that drive USAID strategic choices. We are an Agency geared to action rather than inaction. This will always lead us to do what is feasible at the moment rather than to develop, in chessgame fashion, a more tactical approach that may involve NOT doing something. While one of the additional Dollar lessons is that: Aid can nurture reform in even the most distorted environments, he notes that it may be long-term and needs a focus on ideas, not money.

Finally, we are an Agency that responds to conflicting interests in the American polity and society. We do not have the clout organizationally to take a “technocratic” path. Rather, we must struggle for a minimum of policy coherence even within our own organization; when we try for policy coherence across the USG, we have an even tougher time.

What does this add up to?

USAID is likely to be most capable of devising and implementing a coherent country development assistance strategy that will actually contribute to reducing the risk of internal conflict when:

1. the country has a relatively low risk of conflict to start with -- incomes are stagnant rather than falling, short violent conflicts have not already occurred in recent years, and there are no easily -monopolized natural resources;
2. the country is politically-important to the USA so there is at least a minimal impetus to assure policy coherence and the relative volume of resources (both financial and human) that the USA is ready to bring to the situation is relatively significant, and
3. USAID programming in the country has involved both indirect and direct approaches to poverty reduction and democratic governance, institutions are thick, and the assistance program has been successful in some measurable way.

All other cases are more problematic and the risk of failure for USAID would be high.

Let me then turn to my second concern. Even if USAID programs can contribute to reducing the risk of violent conflict in a country, will the long-term risk capital needed to support the programs be forthcoming? While Dollar talks about “ideas” being the needed input that will eventually improve the development prospects for even severely-distorted economies, the delivery of ideas requires money, people, and enormous persistence over long periods of time.

Perhaps a “risk rating” methodology based on Collier’s work could be used to demonstrate progress in turning down the heat over long periods of time -- but we still need to do a larger model that enables us to judge the marginal effect of a development assistance dollar in increasing broad-based economic growth in a good-policy country vs. the effect of that same dollar in reducing the risk rating by 10 points.

Further, and this is my last speculative point, we have been focussing on the intra-state conflict situation. With globalization, increasingly porous national boundaries, and an elevation of the rule of law and governance to the international level, is there an increasing potential for intra-state conflict stemming from the same incentive and cost factors that Collier has analyzed with regard to internal conflict? Multinational water resources can be “captured” by upstream countries as water grows scarce. Constraining migration opportunities from poorer to wealthier countries might be perceived -- where armed resources are similar -- as a reason for violent conflict.

## “The Economics of Civil Wars, Crime, and Violence”

Dr. Paul Collier, Director, Development Economics and Conflict Research Group,  
The World Bank

*June 7, 2000*

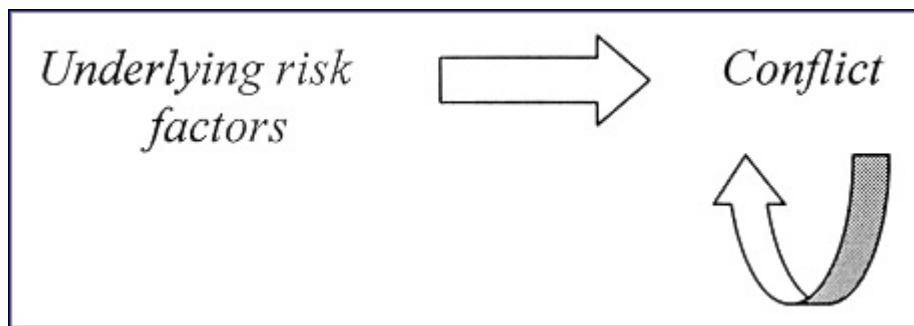
What are the causes of conflict? Causes are more than just interesting and independent variables. They give us some ability to predict conflict. They also give us an idea of what the postconflict environment will resemble. Postconflict societies also have problems stemming from the nature of the conflict itself. The basis of the Bank’s Conflict Research Group work is empirical. The resulting model, to be outlined here, has been successful in predicting conflict. In 1995, the model successfully predicted a descent into conflict in Zaïre.

How do we define risk? The following table, which compares two imaginary countries, illustrates just how different our basic definition of risk is from more traditional interpretations.

	<b>COUNTRY A</b>	<b>COUNTRY B</b>
<i><b>Inequality</b></i>	low	high
<i><b>Political rights</b></i>	good	poor
<i><b>Ethnic Composition</b></i>	same	diverse
<i><b>Religious Composition</b></i>	same	diverse
<b>RISK</b>	x	

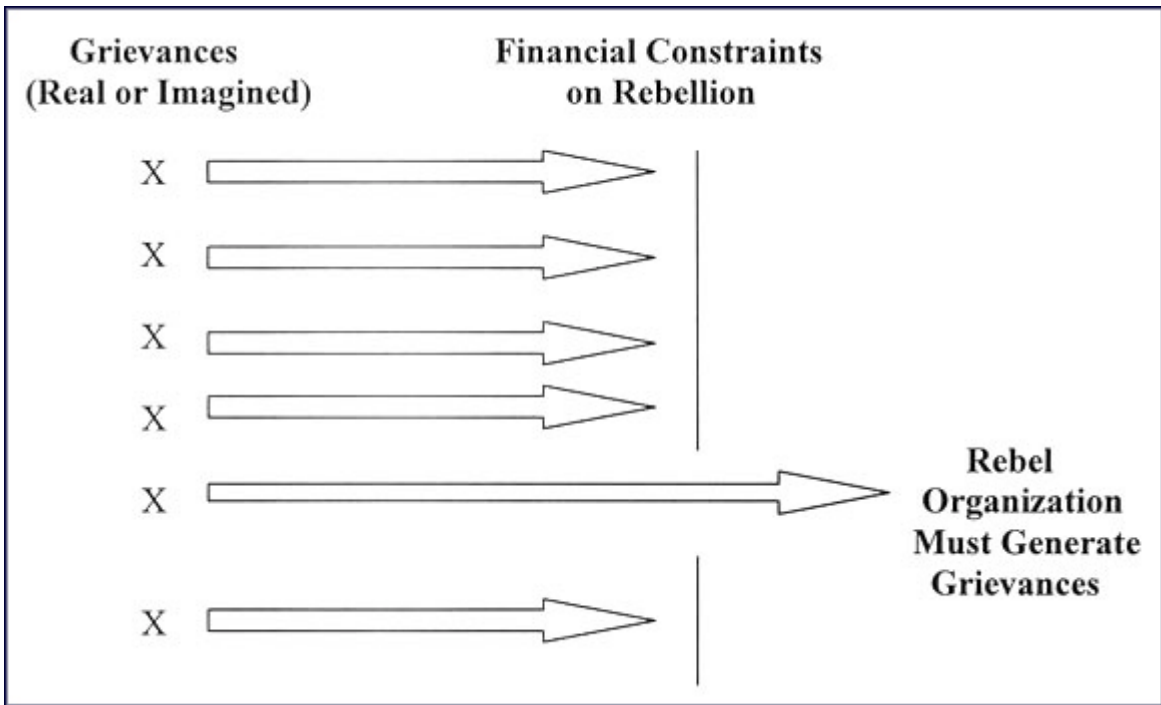
Put simply, classic assumptions about rights and population diversity do not hold up empirically.

There are three key concepts to the model. First, a “conflict trap” comes into play.



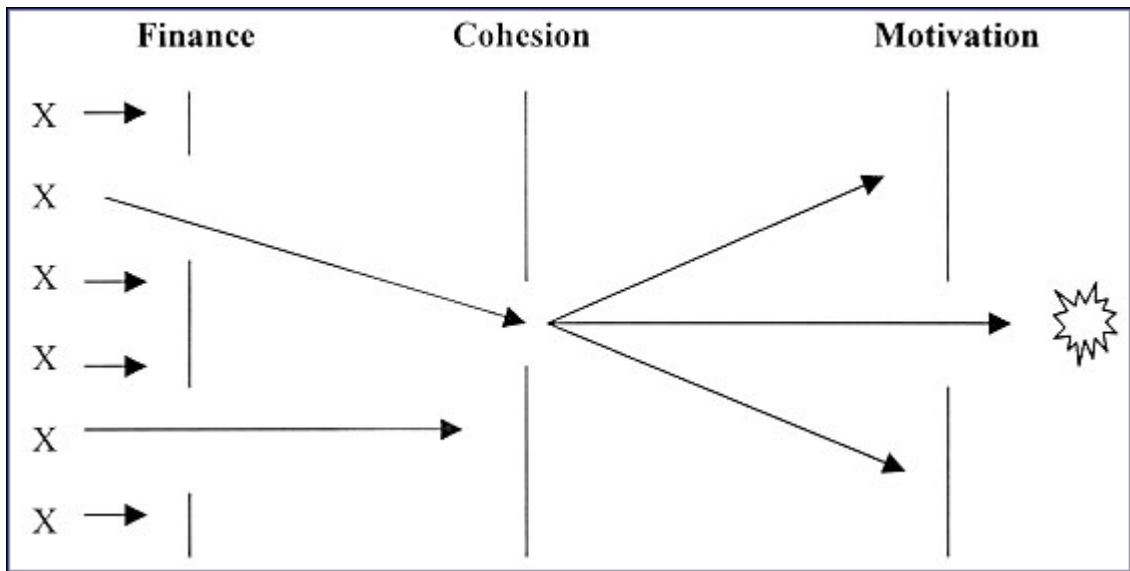
In a conflict trap, the experience of the conflict itself feeds back to cause additional components of the conflict. This is a major underlying risk once a country engages in conflict. Roughly half the countries examined in the study have fallen back into conflict.

Secondly, grievances are both objective or subjective, but for a rebel group to generate conflict, it must generate and maintain grievances to motivate its members.



Many organizations have grievances. Grievances exist everywhere. The Michigan militia has grievances. In order to succeed, however, rebel organizations must effectively create and maintain a high level of grievances within their ranks.

Thirdly, there are three constraints to building a viable rebel organization.



In ethnically diverse societies, cohesion is a critical component to a rebel organization. Organizations are almost always made up of people from the same group. Hatred itself, whether ethnic hatred or other forms of hatred, does not provide a explanation for conflict. The inverse, in fact, was true; conflict makes hatred.

What are the major risk factors for conflict?

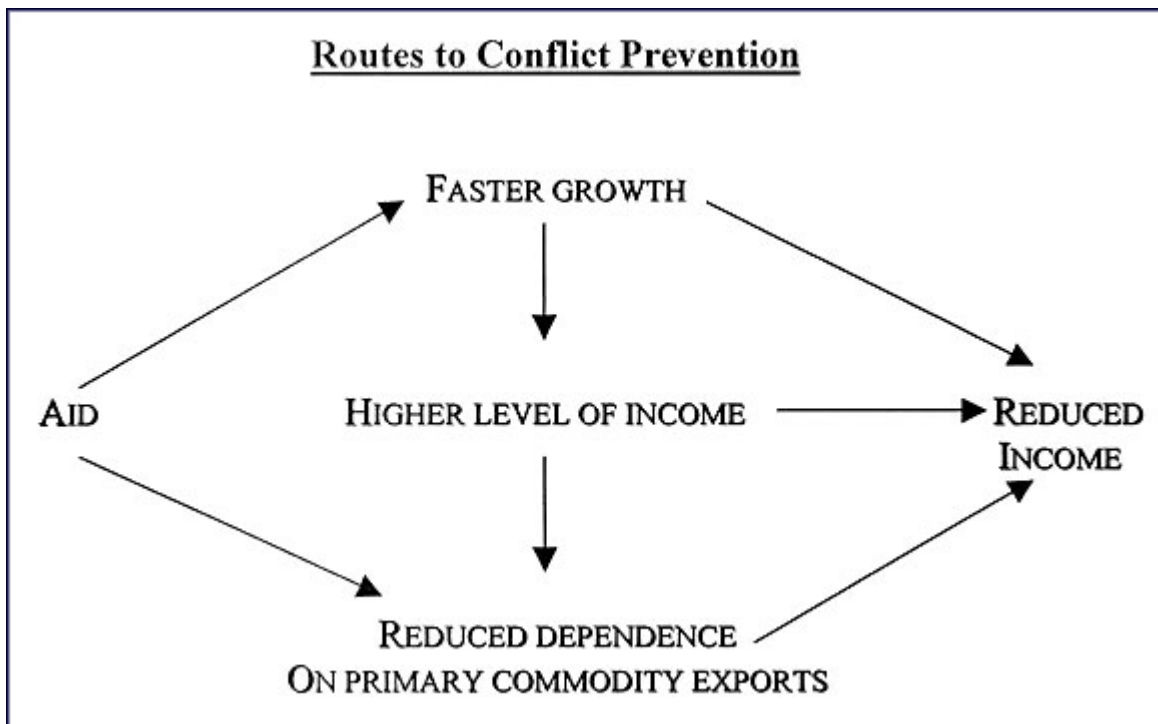
1. *Dependence on primary commodity exports.* The risk increases 46 fold when a country relies on a primary commodity export. A rebel organization must first ensure a financial source. In the post-Cold War world, successful rebel organizations get resources from taxes on primary commodities.
2. *Economic growth.* Faster growth reduces risk. A one percent growth rate lessens risk by one percent.
3. *Secondary education.* A 10-percent enrollment rate reduced risk of conflict by 4 percent.

Other potential risk factors were shown to have less importance. Compared to the importance of primary commodities, ethnic dominance is trivial as a risk factor. A country's risk only doubles when ethnically diverse, whereas the existence of a primary commodity raises the risk 46 fold. Two other factors, geographic dispersion and mountainous terrain, do increase risk, but not as much as one might be led to believe. Inequality and political repression were proved to be remarkably unimportant factors in conflict.

How can aid policy make a difference?

### Routes to Conflict Prevention

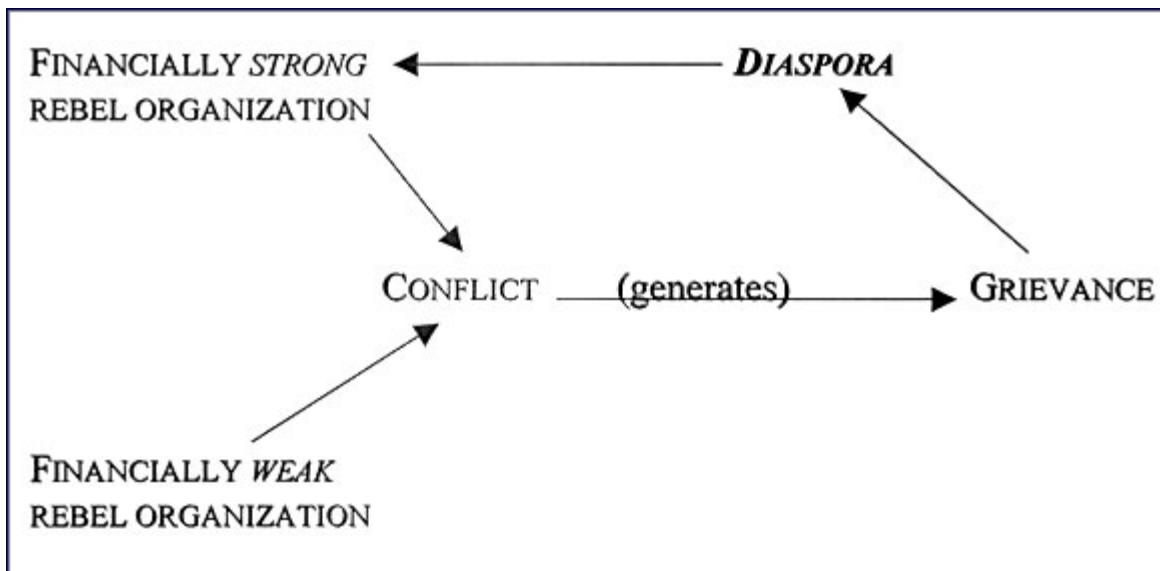
Well-planned aid helps in two ways, by leading to faster growth but also by reducing a country's dependency on primary commodity exports. As the chart below indicates, a country's policy works in exactly the same way as aid, by leading to growth and reducing dependency on primary commodity exports.



Good policy makes aid more effective. Moreover, good policy combined with well-planned aid can reduce the conflict risk rate by 30 percent. Without the right policies, though, aid can do little. Many of the countries examined had such bad policies that aid did little. Other countries were so totally dependent on primary exports that aid and policy could not reduce the risk enough.

The postconflict setting adds more complicated layers to conflict prevention and risk assessment. The “conflict trap” (or feedback loop) which occurs once a country has descended into conflict is encumbered by additional risk factors. While not definitive, there are several possible reasons for this. First, there are always conflict-specific assets to any war. Some actors do well economically from war. Second, there are conflict-specific organizations and institutions that also have an interest in continuing war. Third, conflict itself introduces norms of violence. While political conflict usually has no connection to violence, the norms have shifted in postconflict societies. Fourth, fear increases dramatically in postconflict environments. In a polarized society, preemptive violence makes sense when fear is a driving motive. Fifth, grievances increase in a postconflict country. These can be both objective and subjective grievances. Sixth, polarization increases, often in the form of one quasi-ethnic group dominating another. In Zaire, for example, many ethnic groups banded together into two large and opposed groups.

Statistically, though, there is one major factor that massively increases the risk of renewed conflict: diasporas based in the US. Not only do they provide an important source of financing for rebel organizations, but they can also encourage a persistence of grievances, even if the environment has changed in the home country.



Several points can be emphasized in conclusion. First, whether or not a country depends on a primary commodity for export is of seminal importance. Second, a diaspora can be critical to the continuation or recurrence of conflict. While democracy and governance are good development goals in themselves, they are not effective tools for conflict prevention. Strengthening them will not reduce the risks of conflict.

## **“USAID, Economic Growth, and Conflict”**

Emmy Simmons, Deputy Assistant Administrator, Global Bureau

*June 7, 2000*

Is it possible for USAID to reduce risk of conflict? Certainly, programs can affect incentives and costs of conflict. External assistance is never neutral. Incentives for conflict include the potential for increased power, personal income, gaining access to material wealth, etc.

Is it possible for USAID to do an effective analysis to ensure that interventions reduce the risk of conflict? The answer depends on how conflict-prone a country is, how politically important the country may be, the human and natural resources that a country has, and the history of USAID's programs in that country.

We know much about economic growth and EG programming in general. There have been many successes, and we have a substantial list of lessons. For one, a financially weak government is a reflection of weak governance. We are very aware of our ineffectiveness in certain environments. Reforms only occur when societies have a demand for them. Successful economic aid demands strong institutions and good services. Moreover, public services are improved by an active civil society. Finally, effective aid complements private investment. Critically for USAID, these conditions are non-existent or very weak in conflict situations.

The Agency responds to conflicting political pressures. Institutionally, there is often an internal fight for the minimum of policy coordination. That said, three main conditions are necessary for USAID to contribute to reducing the risk of conflict. First, there must be a low risk of conflict in a country, with no real history of conflict. The average income level must not be dropping, and natural resources must not be easily monopolized. Second, a country must be politically important for the United States. Third, there should be a programmatic history involving direct approaches and a state-centered system.

Will long-term risk capital be forthcoming? Many people on Capitol Hill and elsewhere need to be convinced. USAID can theorize about what it can do, but can the Agency manage the process and correctly focus its resources? We need to use an effective risk-rating methodology. Conflict prevention work by definition requires people to live in conflict areas.

### **Discussant: Dick McCall**

In addition to those mentioned today, there are several other economic factors that should be scrutinized by the Agency. First, microeconomic variables play important roles in the run up to conflict. Second, the Agency should be very sensitive to the ability of a country's leadership to manipulate ethnicity to its own advantage, politically and economically. Third, institutions matter. Rebel groups provide effective goods and services in countries, as in Somalia. They run the institutions that matter most to the local populace. Finally, how do you democratize economies? Local economies should not be controlled by a few powerful elites.

### *Questions and Answers*

Q: What about the role of the diaspora? They don't just provide weapons but money for constructive institutions like schools.

A: Development institutions should involve diaspora groups in their programming efforts. Diaspora organizations already have connections in the countries in question, both business and social connections.

Q: If USAID already works in high risk countries, how can it best use economic growth funds?

A: There are strategic economic interventions that can reduce poverty, diversify the economy, and reduce risks for conflict.

Q: Should USAID move beyond the "nation-state" model of analysis? There are more "ancient" societal aspects that cross borders. And many of the states in question and in conflict never have been successful states.

A: In reality, a vast majority of nation-states are viable. Only a very small number may be qualified as failed states.



## **SESSION IV: NATURAL RESOURCES AND CONFLICT**

### **“Environment and Conflict: Background and Analytical Framework”**

Geoffrey D. Dabelko, The Woodrow Wilson International Center for Scholars

*June 7, 2000*

With the demise of the Cold War clearing the way for a rise of attention to transnational issues, there has been a systematic attempt to redefine security, moving away from the exclusive focus on traditional notion of a state's ability to protect itself and maintain its borders. Instead, increasing interest centers on broadening the definition of security to include 'newer' and more non-traditional threats that can undermine political stability, undercut economic productivity, and/or erode levels of human well-being in countries.

One prominent proponent, Jessica Tuchman Matthews of the Carnegie Endowment for International Peace, argued in 1989 for securing individuals as well as states, and therefore the need to utilize alternative tools for addressing conflict and a new security agenda. Non-traditional concepts of security became a hot topic of public debate with the publishing of Robert Kaplan's 1994 article "The Coming Anarchy" in the Atlantic Monthly. U.S. policy-makers became attentive to the arguments suggesting population growth and environmental degradation/depletion were drivers of political instability. The crises in Somalia and Liberia made these arguments very salient and topical. Yet when the environment did not, as Kaplan suggested, rise to the level of the national security issue of the 21st century, something of a policy backlash ensued. Environmental and demographic issues were unable to provide a comprehensive framework for addressing conflict and security in a post-Cold War world.

However the momentum for broadening the conception of security to include environmental, demographic, health and other issues has remained the object of policy-makers' attention in the United States, other national governments and international organizations. As it pertains specifically to violent conflict, these security debates commonly focus on renewable resources in developing countries where state capacity is low and ecological vulnerability is high.

This continued interest in the link between environmental concerns and security has yielded several important insights. While environmental degradation/depletion is not a necessary or sufficient cause of violent conflict, it can interact with other demographic and inequity factors to play a contributory role. Specifically, this interaction, referred to as "environmental scarcity" by Thomas Homer-Dixon of the University of Toronto, can contribute to migration, an undercutting of economic activity, domination of natural resources by elites, and the weakening of states. If a state or subnational locality is unable to adapt in an inclusive manner, environmental scarcity can exacerbate ethnic or income divisions, commonly more proximate causes of conflict and political instability.

The United States has a vested interest in preventing environmental degradation/depletion from affecting the stability of developing states for several reasons. First, political instability and the

weakening of states, whether subnational or international, undermine traditional U.S. geopolitical security interests. Second, conflict and instability undercut U.S. foreign policy efforts to foster environmental sustainability nationally and internationally. Third, environmental degradation/depletion and violent conflict contribute to the migration of peoples and the spread of disease thereby hurting U.S. efforts to increase levels of human well-being. Fourth, violent conflict is bad for business and developing markets for trade. Fifth, taking steps to prevent or deter conflict is often less expensive than intervening to stop conflict and facilitate post-conflict reconstruction. Sixth, addressing potential conflicts before they reach a crisis stage may allow policy-makers to make decisions before the “CNN factor” dictates the scope and timing of the response.

What implications do these complex environment-population-conflict dynamics have for USAID? The Agency can utilize its extensive field experience and apply more sophisticated means to investigate the links among environment, population and conflict as well as state capacity and vulnerability. Better understanding of what factors helped states avoid violent conflict in the face of shared environmental stress will be the first step in designing interventions to facilitate environmental peace-building. The tools available to USAID better position it to treat the underlying causes of conflict, and not merely limit responses to those who address the symptoms of conflict, the violence itself.

Institutionally, the interconnections among these sectoral concerns and violent conflict necessitate internal USAID structures that facilitate collaborative and integrated development responses. Furthermore, this complexity with its explicit ties to conflict and security suggests broadening dialogue and collaboration with new partners within the U.S. government and with other governments, international organizations, NGOs, and academia. This dialogue, facilitating a more complex view of conflict and its prevention, may provide an additional rationale for assistance and new constituencies and partners supporting development assistance.

### **“Case Studies in Environmental Cooperation”**

Stacy VanDeveer, University of New Hampshire

*June 7, 2000*

In discussions and research concerning the links between environment and violent conflict, it is important to be clear about exactly what is and is not being claimed. Research and analysis about the relationship between environmental quality and violent conflict does not assert or assume that environmental protection is the central factor which causes conflict nor is it understood as more important than economic development, poverty alleviation or conflict prevention. In short, environmental cooperation is not being posited as a magic bullet that can resolve long-standing conflicts. What is being argued, however, is that cooperative environmental protection and resource management can play important roles in economic development and conflict prevention. For example, building capable governance institutions has important connections to sharing resources and resource management institutions. Environmental cooperation connects conflict prevention and other development goals and needs. These connections include resource-

sharing and management arrangements, building cooperative institutions across social cleavages, and building capable states and local bodies. Likewise, there are connections among population and demographics, reproductive health, universal education, and opportunities. Thus, environmental cooperation offers new opportunities for both development and conflict prevention.

Dr. VanDeveer is involved in a project, directed by Prof. Ken Conca of the University of Maryland, that looks at the relationship of regional environmental cooperation arrangements to peace-building over time. In general, two possible pathways from environmental cooperation to peaceful relations are examined: (1) altering the strategic climate among actors and (2) civil-society building across cleavages. Questions include, for example, “do states build trust as they increase integration?” Do cooperative associations expand beyond the environment? To what effect? The project’s regional cases include the Baltic/Barents regions, the Aral Sea Basin, Southern Africa, the Caspian basin, South Asia and the Rio Grande basin.

Some preliminary findings emerged from this study. These include:

- cooperative environmental institutions are often quite robust, and there is a strong interest in continuing cooperation - even in the face a daunting political and economic challenges
- state capacity (or incapacity) remains a centrally important challenge to the building and maintaining of cooperative environmental and resource management - which is often ignored when developing cooperative institutions
- a large role exists for international actors in creating and maintaining institutions - such actors often miss opportunities to link environmental cooperation to peace-building and development.

Both paths -- changing the strategic climate and civil-society building -- offer important opportunities to build more peaceful regional relations. The Baltic-Barents region provides examples of the meeting of both paths. For example, in Estonia, donor collaboration on environmental issues often attempts to span and address the existing social (ethnic) cleavages and to build civil building more broadly. Furthermore, actors in the Baltic region have focused explicitly on building and enhancing the capabilities of public sector actors to perform tasks assigned to them.

In short, environmental cooperation offers opportunities for mutual benefit between environmental protection, economic development and conflict prevention. Integrating environmental cooperation and the build and enhancing of resource sharing arrangements regimes into development programs and conflict prevention efforts can yield win-win outcomes for all three of these aspects of sustainable development.

### **Discussant: Carl Gallegos, AFR/SD**

There are three points that provide a snapshot of environmental and conflict prevention in Africa. First, environmental cooperation in Africa is occurring. Thirty action plans are in existence, all of which have the goal of establishing conservation priorities and increasing interaction between

donors and government. An example is the Nile Basin Initiative, in which ten African countries took the initiative and approached donors (instead of the other way around) about the management of resources from this vital river. Second, the presenter attended a conference on water, sponsored by the U.S. military. The purpose was to discuss conflict prevention before conflict breaks out. The significance of this event lies in the fact that it was hosted by the U.S. Military, which is becoming increasingly attuned to the idea that non-traditional factors can affect state security. Third, many countries lack effective policies or regulations regarding their natural resources. Because of this, USAID has been helping them to establish policies and regulations to enforce them.

## SESSION V: LAND AS A SOURCE OF CONFLICT

### “Land As A Source Of Conflict”

Alan Dejanvry, The World Bank

*June 7, 2000*

Four questions are useful for analyzing the link between land and conflict. They are:

1. When are land scarcity and/or land inequality sources of conflicts?
2. Has land reform been effective in reducing conflicts over land?
3. Beyond land reform, are there new mechanisms to facilitate access to land that can serve to reduce conflicts over land?
4. What are alternative approaches to resolving land disputes to prevent conflicts?

*1) When are land scarcity and/or land inequality sources of conflicts?*

In general, it has been difficult to establish a direct link between land inequality or scarcity and conflict; instead, a combination of factors is usually required. However, land issues do factor in conflict. Increased land inequality (either real or perceived) or rising land scarcity (through population growth, few off-farm employment or migration opportunities, a lack of land-saving technological change) act as triggers to conflict; this can escalate into violent collective action if the marginalized group in question has a strong collective identity, few opportunities for expressing its dissatisfaction, feels that it can make gains from initiating violent collective action, has effective leadership, or believes that the state is weak.

*2) Has land reform been effective in preventing or resolving conflicts?*

Land reform usually has three different objectives: efficiency gains (removing unproductive landlords or tapping underutilized land), equity gains (redistribution of land from large landowners to smaller ones), or political gains (preventing or mitigating conflict through land reform). Land reform has been effective in reducing conflict and achieving efficiency and equity gains. However, land reform requires political power that many states do not presently have.

*3) Beyond land reform, are there new mechanisms to facilitate access to land that can serve to reduce conflicts over land?*

There are several mechanisms for allowing the poor to acquire land and reduce the potential for conflict. These mechanisms include:

- Land sales markets - voluntary transaction between seller and buyer. Sometimes subsidies are given to buyers to help facilitate this process.
- Titling to achieve greater security of access to land and collateral. This is important where property rights are not guaranteed and where access to credit is important. But this can sometimes encourage conflicts, so best practice resources may be useful.

- Dispute resolution for conflicts over property rights and forms of access.
- Transfers and inheritances to allow for equitable distribution of land (especially towards women and illegitimate children, who are traditionally excluded).
- Land rental markets and contracts - these can be strengthened to help the poor and young.
- Common property resources and cooperation - allow resource management by transforming open access resources into common property resources through collective titling.

4) *What are alternative approaches to resolving land disputes to prevent conflicts?*

In addition to land reform, there are other devices for reducing the potential for land-related conflict. One way is to encourage rural development to make more efficient use of land resources. Also, educating and training people, especially the young, for non-agricultural jobs, either in rural or urban areas, may reduce conflict over land.

**“Approaches to Conflict”**

John Strasma, University of Wisconsin Land Tenure Center

*June 7, 2000*

Guatemala experienced a long, drawn-out war, which was primarily over power. However, during the Peace Accord negotiations, discussions turned to land and negotiators promised inexpensive land for ex-combatants and refugees in order to facilitate an agreement. This was to be done through the creation of a land fund; USAID provided a \$5 million grant and the World Bank added a \$69 million loan to get it started.

The fund was to provide loans to groups instead of individuals (as this was considered less expensive) and the poorest. By December of 1999, 39 groups had purchased farms for 2,938 families. Each family received one loan, with a ‘compensatory’ subsidy, which together totaled an average of \$6,500 per family. No down payment was required for the loan, as it was assumed that the applicants were too poor. Some legitimate groups did apply for loans; however, only 2 of 27 different ethnic groups applied. Many other groups were organized expressly for obtaining loans from the land fund. They lacked norms on entry, exit, and bonding, and planned on dividing and disbanding once the money came in.

The first payments on the first five loans have come due, and each loan recipient has asked for an extension; this could be an augury of what could await the fund with future due dates on first payments. In addition, many other groups believe that they have been promised loans; the possibility exists that this could be a pre-conflict situation. Alleviating this problem and achieving lower costs per family will be extremely difficult, but may be possible. Some options to repair the situation include:

- Create more than one ‘window’ for loans that could be less generous than the original loan but offer faster service.

- Require a down payment, but allow the poorest to ‘rent to own’.
- Finance rentals as well as purchases.
- Invite applicants to waive the legal right to a subsidy in exchange for faster service.
- Finance the productive value of the land, but not the speculative component of prices.

Managing the repayment of loans has implications for conflict prevention. About 511 groups (with an average of 64 people per group) have applied for group land. It is uncertain how these groups will react if and when they find out that they might not be eligible. In addition, over 30,000 families think that they have been promised a loan. It is useful to ask how it will be possible to lower these families’ expectations. It is also useful to ask whether any donor or agency was reflecting on what it was doing when it started this land fund program.

**Discussant: Klaus Deininger, World Bank Land Tenure Policy Group**

With regards to land, two elements lead to conflict: lack of economic growth and land exploited by the elites. How can this be addressed? It should be acknowledged that there is a role for institutions here to ameliorate potential conflicts. Institutions can help in the redistribution of different types of assets, not just land. Educating people who are given land is important; in the past, parcels of land had been redistributed without teaching how to best use the land, with deleterious results. Land reform has made a big difference; however, it is important to make sure that land and other assets go to the right people, and that property rights are clearly defined (not doing this can create the conditions for pre-conflict situations).

## CLOSING STATEMENTS

Ted Morse

*June 7, 2000*

It is interesting to note how far the Agency has come on the issue of conflict prevention; congratulations should be offered to everybody who attended and especially those who organized this conference. Conflict prevention has gained momentum; four years ago attempts to create awareness were unsuccessful. Advocates of institutionalizing conflict prevention throughout the agency are no doubt still frustrated about lack of progress in moving this agenda, however, some caution is in order. After the '84-'86 droughts, untold amounts of people died and conflict prevention advocates wanted to start early warning systems. They were derided as being naïve. However, early warning systems helped dramatically reduce the amount of deaths resulting from the '91-'92 droughts.

It is important to not lose heart; much has been done. The next challenge is to take the ideas of conflict prevention to Capitol Hill; senators and congressmen are very interested in this as it could help save money. To get these ideas across, flexibility and political support are needed.

The presentations from the last two days have reinforced the need to move forward on conflict prevention, but with an integrated strategic plan. It is vital to make conflict prevention part of the mission of embassies and the State Department. USAID has not informed desk officers, ambassadors, and the Secretary of State that we have a contribution to make in this field.

### **Dick McCall**

Conflict prevention has consumed a large amount of my professional life; in the past I have been drawn to conflicts and crises. For example, in the 1980's I found myself in El Salvador. One finding about that conflict was how the civil war dehumanized perceptions of combatants. I acted as a conduit among different groups, and saw that with the give and take that occurred, adversaries began to see their opponents in more human terms. In my seven years in this job, I have been able to go to crisis areas and listen to the stories of those involved with or affected by the conflict. It has been like going back to school.

The human race possesses an incredible capacity for resilience and dealing with tragedy. But people should not have to endure these tragedies. I spent lots of time in Rwanda, and spoke to Hutus in camps. I asked them if slaughter on the same scale could happen again, and why. They replied yes, it could happen again, because of bad leadership and bad governance. I also spoke to a Rwandan military leader, who said he wanted democracy for Rwanda, and then equated democracy with the pursuit of power. I asked him if he was a Hutu first or a Rwandan. He replied that they were one and the same. I then asked him where that left the Tutsis. He had no response. Many of these states lack a consensus on fundamental principles that are enshrined in a constitution and institutionalized. There is a sense of local community but not of a national community. There is concern about the future and about one's children, but this does not transfer to a broader sense of societal cohesion. And the donor community is partly at fault. A Belgian



counterpart once mentioned that we have destroyed the traditional mechanisms for handling conflict in that society, and that there is no institutional underpinning beyond the veneer of democracy.

I read a lot, and wanted to quote from a book called *The New Federalist Papers*. The quote mentions that the search for leadership is not just for power but for knowledge. Future historians will note that we flailed away at ‘phantoms’ without understanding that the real task was to understand a series of profound structural changes in our society and the world. In Geoffrey Hosking’s *Russia: People and Empire*, he notes that the creating of institutions amenable to the Russian people was sacrificed for the sake of empire. This idea can be applied to troubled states throughout the world. With the fall of Communism, there are few institutions in place to help the body politic; Russia and many other countries continue to struggle with the lack of institutions. This can be seen today with Vladimir Putin, who is attempting to centralize power instead of building institutions. Yet despite these setbacks we have a contribution to make, and it is important to be in Russia, just as it is important to be in the Newly Independent States, the Balkans, etc.

USAID is full of curious people, who can make a great contribution to the debate on conflict - not only in the Executive Branch, but also on Capitol Hill. I hope that the last two days have been stimulating, and that this conference is successful in getting people to step back and look at our choices and possibilities.

### **Concluding Remarks**

Dick McCall

*June 7, 2000*

Conflict management is an essential part of the development challenge. To argue about a disconnect between development and conflict prevention is essentially to argue a false dichotomy. The countries in question are mostly inhibited by fractured, underdeveloped nationhood. USAID must understand its role and what it is trying to achieve in these countries. Should sustainable development be the goal? Humanitarian assistance? Programming and analysis is much too stovepiped within the Agency. Conflict prevention and management cannot and should not be boxed off into separate sectoral components.