A Typology of Post-Conflict Environments

Graham Brown, Arnim Langer & Frances Stewart

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Abstract
Despite the apparent decline in the global incidence of major armed conflict, there remain many countries in conflict and many others that are struggling with the legacy of recent violence. The majority of these countries are among the poorer and less developed ones. Increasing attention within the international community is therefore being paid to the inter-connections between sustainable peace-building and socio-economic development within a “post-conflict” environment.

Countries that are in a post-conflict stage of development differ in many important respects – in their economic state and potential, their political system, their bureaucratic capacities and the state of security in the country itself. All these variations are relevant to the appropriate design of post-conflict policies. Consequently, it may be helpful to develop a typology of situations confronted by post-conflict policy-makers, rather than expecting a one-size-fits-all approach to work. This paper develops such a typology.

For simplicity and because our focus is on economic recovery, we concentrate on three economic aspects to form our typology – the state of economic development; the presence of high-value natural resources; and the existence of sharp HIs. We choose these three because they influence the probability of conflict recurrence and the nature of economic policies needed to achieve economic recovery.

We also discuss four other important differences in enabling conditions – the state of security, the commitments of the international community to the country, state capacity and the inclusivity of governments. These enabling conditions are of critical importance in determining what policies are possible and their likely effectiveness.

We conclude by illustrating how actual conflict and post-conflict countries fit into the typology.

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1. Introduction

Despite the apparent decline in the global incidence of major armed conflict, there remain many countries in conflict and many others that are struggling with the legacy of recent violence. The majority of these countries are among the poorer and less developed ones. Increasing attention within the international community is therefore being paid to the inter-connections between sustainable peace-building and socio-economic development within a “post-conflict” environment.

As Reychler and Langer (2006) note, “post-conflict” scenarios are often characterised by “multiple transition processes,” including the transition from war to peace, but also often accompanied by democratisation, decentralisation, and market liberalisation. Hence, the transformation of war-torn societies into peaceful, stable and more prosperous ones is an immensely complex task, often susceptible to contradictory pressures and concomitant risks of a relapse into violence.

Countries that are in a post-conflict stage of development differ in many important respects – in their economic state and potential, their political system, their bureaucratic capacities and the state of security in the country itself. All these variations are relevant to the appropriate design of post-conflict policies – i.e., policies intended to bring about reconstruction, promote sustainable recovery and to reduce the likelihood of conflict recurrence. Consequently, it may be helpful to develop a typology of situations confronted by post-conflict policy-makers, rather than expecting a one-size-fits-all approach to work. The aim of this paper is to develop such a typology.

There are so many dimensions of potential difference that it would be easy to arrive at a very large number of “types,” but this would make the approach difficult to operationalise. Potentially relevant dimensions, as noted above, include economic, political, and bureaucratic differences. As we are concerned here primarily with economic policy, we focus on three economic aspects in the proposed typology, while recognising differences in the other categories as presenting important enabling conditions and/or obstacles to change. Consequently, we propose to categorise economies according to three criteria:

- **Poverty and lack of opportunity, with economies with very low incomes differentiated from middle- or upper-income economies.** Along with poverty generally goes a particular economic structure (heavily based on primary production), weak human capacities, and a lack of good employment opportunities. It is also often associated with high debt. Appropriate policies for this category of countries are likely to differ from the middle- or upper-income countries.

- **Countries with considerable high-value natural resources.** These countries generally face a very different (more favourable) situation with respect to resource constraints, and (less favourable) to the possibility of conflict recurrence. Post-conflict policies need to be designed to take these differences into account.

- **Countries with high horizontal inequalities.** Given the relationship of HIs to conflict (Stewart, Brown and Langer 2007), high HI countries need to take this into account in developing post-conflict policies.
This three-fold classification generates the possibility of eight types of country according to the combination they show on the three criteria, but some combinations are less likely than others: in particular high natural resources are likely to be associated with high HIs and often with being a middle-income country.

Countries also differ according to a series of enabling conditions or potential obstacles which may make post-conflict policy-making more or less difficult. We shall focus in particular on the security situation in the post-conflict environment, international resources available, the capacity of the government, and the inclusivity of the government.

The reasons behind our selection of the proposed typology are put forward in Section 3 of this paper, and the enabling conditions in Section 4. But before coming to this, we consider issues involved in defining and identifying the very situation of being in a "post-conflict" situation and the criteria for leaving that condition when "normal" development resumes and post-conflict policies are no longer relevant (Section 2).

### 2. What is ‘post-conflict’?

The “post-conflict” situation is not as easy to define as it sounds. In big international wars, a formal surrender, a negotiated cessation of hostilities, and/or peace talks followed by a peace treaty mark possible “ends” to conflicts.

But in the sort of intra-state wars that we are chiefly concerned with it is not so simple. Hostilities do not normally end abruptly, after which there is complete peace. There may be an agreed “peace” but fighting often continues at a low level or sporadically, and frequently resumes after a short period. Recent developments in Sri Lanka provide an illustration, while in Northern Ireland moves towards peace have taken 15 years. Genuine attempts at reaching peace can frequently be derailed by “spoilers” – that often turn out to be breakaway insurgent groups that are not yet ready or willing to give up armed conflict.

In this paper, we propose that rather than pick one or other condition to define the beginning and end of “post-conflict,” a more productive approach to conceptualising the post-conflict scenario is to see it not as a period bounded by a single specific event, but as a process that involves the achievement of a range of peace milestones. Taking a process-oriented approach means that “post-conflict” countries should be seen as lying along a transition continuum (in which they sometimes move backwards), rather than placed in more or less arbitrary boxes, of being “in conflict” or “at peace.”

We suggest the following peace milestones:

- Cessation of hostilities and violence;
- Signing of political/peace agreements;
- Demobilisation, disarmament and reintegration;
- Refugee repatriation;
- Establishing a functioning state;
- Achieving reconciliation and societal integration; and,
- Economic recovery.

Table 1 lists a number of possible indicators in order to assess the progress made towards achieving a particular peace milestone.
Table 1: Peace milestone and indicators of progress

<table>
<thead>
<tr>
<th>Peace milestones</th>
<th>Possible indicators of progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cessation of hostilities and violence</td>
<td>Reduction in the number of conflict fatalities&lt;br&gt;Reduction in the number of violent attacks&lt;br&gt;Time passed since major fighting stopped</td>
</tr>
<tr>
<td>Signing of political/peace agreements</td>
<td>Signing of and adherence to ceasefire agreements&lt;br&gt;Signing and implementation of a comprehensive political agreement which addresses the causes of the conflict&lt;br&gt;Endorsement of peace/political agreement by all major factions and parties to the conflict</td>
</tr>
<tr>
<td>Demobilisation, disarmament and reintegration</td>
<td>No. of weapons handed in&lt;br&gt;No./proportion of combatants released from military duty and returned to civilian life&lt;br&gt;No./proportion of combatants released from active duty and returned to barracks&lt;br&gt;No. of military barracks closed&lt;br&gt;Successfulness of reinsertion programs for ex-combatants&lt;br&gt;Reduction in total number of active soldiers/combatants&lt;br&gt;Spending cuts on military procurements</td>
</tr>
<tr>
<td>Refugee repatriation</td>
<td>No./proportion of displaced persons and refugees that have returned home voluntarily&lt;br&gt;No. of displaced persons and refugees still living involuntarily in refugees centres within a conflict country or abroad</td>
</tr>
<tr>
<td>Establishing a functioning state</td>
<td>The extent to which impunity and lawlessness has been reduced&lt;br&gt;The extent to which the rule of law is introduced and maintained&lt;br&gt;The extent to which corruption has been reduced&lt;br&gt;Tax revenue as a proportion of GDP</td>
</tr>
<tr>
<td>Achieving reconciliation and societal integration</td>
<td>Number of violent incidents between groups&lt;br&gt;Perceptions of “others” via surveys&lt;br&gt;Extent of trust (via surveys)</td>
</tr>
<tr>
<td>Economic recovery</td>
<td>Economic growth recovery&lt;br&gt;Increased revenue mobilisation&lt;br&gt;Restoring of economic infrastructure&lt;br&gt;Increased foreign direct investment</td>
</tr>
</tbody>
</table>

It is helpful to make three general points about these milestones. First, although we term these peace “milestones,” they are themselves processes, and may experience regress. For instance, for about five years following the initial peace agreement in 1998, the transition to peace in Northern Ireland was threatened by a number of spoiler groups both on the Catholic side (the Real IRA) and on the Protestant side (the UVL). In this sense, “cessation of hostilities and violence” in the province could not really be said to have been completely achieved at that time, yet it would also seem to be wrong to deny that Northern Ireland did indeed enter into a post-conflict phase following the signing of the Good Friday Agreement in 1998. Hence, taking a process-oriented approach seems best.

Second, activities and interventions aimed at achieving these various milestones can and should be undertaken even during the “conflict” phase itself. From the perspective of policies towards post-conflict economic recovery, it is never too early to start – indeed, as far as possible policies should be undertaken even during conflict, which
may help reduce the socio-economic costs of conflict and contribute to bringing the conflict to an end.

Thus, for instance, policies and programmes, including fair employment legislation and access to public housing, to improve Catholic socio-economic conditions in Northern Ireland were undertaken during the 1980s, even while the “troubles” were still on-going, and did indeed make the Catholic population more predisposed to peace. In Sri Lanka, the long war has been accompanied by uninterrupted development programmes which have helped to sustain incomes, at least at the national level, albeit not in a peace-making way.

But in too many countries, international support for development is suspended or postponed during conflict because the conditions are regarded as inappropriate, while external resources are focussed on humanitarian aid, greatly increasing the economic costs of the wars (Stewart, Fitzgerald et al 2001). Nonetheless, ongoing conflict undoubtedly makes it more difficult to implement recovery policies, and indeed may affect their design, as we see today in the examples of Afghanistan and Iraq.

Thirdly, while the achievement of some of these milestones may to some degree be contingent upon the prior achievement of other milestones, there should not necessarily be a strict sequential order imposed upon their achievement. For instance, refugee repatriation often commences soon after the cessation of violence and hostilities, even when there are no formal political agreements or when conflict parties are still in the process of negotiating a settlement. Most of these milestones are self-evident and require little further explanation. Moreover, while they represent the ideal progression, about half the cases of “post-conflict” countries reverts to conflict within a decade (Collier et al 2003), and many more continue to suffer sporadic outbursts of violence.

The country’s position on the conflict-peace continuum is one aspect of the enabling political conditions to be considered below.

Finally, a brief note on what constitutes the end of “post-conflict” and a return to “normalcy.” It is not possible to develop a precise definition of what constitutes the end of post-conflict economic “recovery.” This is illustrated by considering possible indicators. One is a return to the economic status quo ante — for example, a country’s prior GDP per capita or human indicators, or rates of change of these indicators.

On the one hand, some economies grow throughout the conflict (e.g. Guatemala), so this is clearly an inappropriate criterion, while even in these economies certain parts of the economy may generally suffer damage which is to be measured not only by worse indicators of achievement than at the beginning of the conflict, but also by their lagging behind the rest of the economy and region.

This is the case in Sri Lanka, which, as noted, enjoyed overall economic growth during much of its civil war. But that did not take into account the massive economic retardation of the Tamil areas, where the fighting is concentrated (O’Sullivan et al 2001). Hence re-establishing pre-war indicators may sometimes be too unambitious a target.

On the other hand, severe conflict can inflict socio-economic impacts that may take generations to remedy — or may not be remediable at all. Conflict-related increases in AIDS and HIV infection rates and major population displacements are examples. From this perspective, requiring that the economy returns to the pre-war status could be too ambitious.

Moreover, given that many conflicts have powerful socio-economic roots, attempts to return the economy to its pre-conflict state may perpetuate the economic grievances underlying conflict in the first place. Another possibility would be to define economic recovery as occurring when the country ceases to be dependent on international aid.
But this is clearly an absurd definition, given the high dependence of so many “peaceful” developing economies on aid, while aid-dependence is caused at least partly by supply as well as need.

We therefore do not think it possible to arrive at any well-defined criteria, and propose that post-conflict recovery can be regarded as complete when the main features of an economy no longer stem from the war but from the normal conditions of the economy.

This means that major physical war damage has been repaired, that “normal” economic activities have been resumed, and that specific post-conflict policies of demobilisation and reintegration have been completed. It seems to us important not to “pathologise” economies and give special treatment too long – both for governments’ own abilities and determination to manage their economies, and from the perspective of fairness with other non-conflict countries. One approach is to select a time period for the end of “post-conflict” categorisation to avoid endless pathologising of such countries. We would suggest that if hostilities do largely cease, five years after a war has ended, most economies are likely to have returned to near-normalcy and 10 years after, the post-conflict era can, in most cases, be regarded as having ended.

3. Typologising post-conflict societies

There is a tendency for the international community to place countries into a single “post-conflict” category. Yet, it is apparent that post-conflict countries differ in many important respects, and require different policies.

One could go so far as to argue that each situation is unique and requires special investigation and understanding before developing policies. While agreeing in principle with this statement, we feel it is possible to categorise countries’ characteristics according to a number of dimensions relevant to policy-making in a post-conflict environment in a way that is helpful for policy-making. Our purpose in this section, then, is to categorise or typologise characteristics of post-conflict societies in this way.

In the introduction, we pointed to three major economic criteria to form the basis of such a categorisation and four sets of enabling conditions. The criteria are the state of the economy, notably its level of development; the presence or not of significant high-value natural resources; and the extent of horizontal inequalities. Performance with respect to each of these criteria will help to determine appropriate policies for post-conflict recovery.

In addition to these criteria, there are four important sets of enabling conditions, including the state of security which will determine how far normal economic activities can resume; international commitment to the country (including physical support in the way of troops as well as economic flows and debt relief); bureaucratic capacities, which will influence the nature of support needed and also the type of policies possible; and the nature of the government – particularly its inclusivity, which will determine whether the government is likely to be politically committed to inclusive economic recovery policies.

3.1 The level of development and prevailing opportunities.

Very poor countries have particular difficulties in relation to economic recovery. Moreover, they are also more at risk of conflict recurrence, for reasons we discuss below.

There are several features of low-income countries which present particular challenges for economic recovery. The most important handicap low-income countries face from the perspective of recovery is likely to be a shortage of human resources. Not only is
this a general feature of low-income countries, but countries that have suffered civil war find that large numbers of their educated population have fled. For example, it is estimated that half the doctors and 80 per cent of the pharmacists fled from Uganda in the early 1980s (Dodge and Wiebe 1985).

In Afghanistan there was massive outmigration. In some cases, educated people are targeted for killing, drastically weakening the country’s human resources – this occurred in Burundi, Rwanda and Cambodia. The spread of AIDS that results from the sexual activities of combatants further reduces human capital. This is typically compounded by the destruction of social infrastructure during war and by reduced social expenditure. In Mozambique, almost 60 per cent of primary schools were closed or destroyed (Brück 2001), while in Sudan schools were destroyed in the South but not in the North.1

In Angola, it was estimated that social expenditure per head halved over the 1975-1995 conflict period, and that it fell by nearly 70 per cent in Uganda between 1971 and 1987, and over 40 per cent in Liberia in the conflict period 1985-1995. But other governments manage to sustain and even increase such expenditure. For example, in Mozambique, social expenditure per head actually doubled over the conflict period, while it rose by a third in Nicaragua, and by a quarter even in Sudan (1985-1995)2.

The reasons that social expenditure falls vary in ways that are relevant to post-conflict policies. In some countries, the government’s tax capacity is heavily eroded – Somalia in the 1990s and Uganda in the late 1970s and mid-1980s are examples. In others, government revenue and expenditure holds up or is even increased, but there is a significant switch away from social expenditure towards military expenditure. This happened in Angola and Ethiopia for example, between the 1970s and 1990s.

In the post-conflict era, appropriate policies towards sustaining social (and economic) expenditure depend on which of these reasons apply. If a country has a low tax ratio at the end of the conflict (e.g. below 15 per cent of GDP), then a first priority is revenue-raising. But if the tax ratio is reasonable, (let us postulate 15 per cent of GDP or more) and social and economic expenditure low because of the high expenditure on the military, then cutting this and switching to social and economic infrastructure has priority.

These variations in flight of human capital, destruction of physical infrastructure and social expenditure are reflected in variations in service availability. For example, in Angola, primary school enrolment fell sharply, while in other countries it rose over the war years (for example in Guatemala, and Nicaragua) (Stewart, Fitzgerald et al 2001: 90-94).

The traumatisation of civilians and widespread disabilities may also affect recovery potential, and required policies. Today, in contrast to the past, the vast majority of victims are civilians. Aside from the direct human suffering this entails, it means that the social impacts of conflicts are often considerable. Trauma can be widespread; survey research found more than a third of East Timorese exhibiting symptoms of post-traumatic stress disorder in 2000 (Modvig et al 2000).

Furthermore, Ghobarah et al (2003) estimate that in 1999, over 8 million Disability-Adjusted Life Years (DALYs) were lost globally as a consequence of wars that ended in the period 1991-1997 – a figure only slightly lower than the World Health Organisation’s estimate for the number of DALYs lost directly to conflict during 1999. The major mechanism here is the spread of infectious diseases, particularly malaria,

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1 See e.g. ‘Human Development: WFP Builds Schools in South Sudan, Laying Foundations for Future’ Sudan Vision, June 25 1995, www.sudanvisionsdaily.com
2 Data in this paragraph are drawn from Stewart, Fitzgerald et al (2001: 87).
tuberculosis and AIDS, where the main victims are women and children. Injuries resulting from landmines are another cause.

The shortage of human resources poses a challenge for the recovery of services and for management of the economy. Moreover, it tends to lead to weak bureaucratic capacity, one of the major obstacles to successful recovery.

Second, low-income economies generally find it difficult to generate adequate internal savings and are consequently highly dependent on foreign flows for reconstruction and development, while they also find it difficult to attract private sources of finance and are therefore aid dependent. Post-conflict middle-income countries are also heavily dependent on aid in the short term, but possibilities of renewed inflows of private capital tend to be greater, making it easier to escape that condition.

Compounding this situation is the very heavy accumulated debt which is a common feature of post-conflict countries in general (see Figure 1). This means that for cases of high-indebtedness, unless there is immediate debt forgiveness, additional financial inflows are largely taken up by debt repayments and servicing. Arrears of payment on these onerous debts “often delay their access to both grant and concessional and commercial debt financing in the post-war period,” which in turn “impedes the recovery of the domestic private and financial sectors” (Obidegwu 2004: 38).

Brück et al (2000: 32-3) found that although both Nicaragua and Mozambique only serviced a very small proportion of their debt, “even these minimal debt servicing rates represented a very high burden on both economies,” which made economic reconstruction far more difficult.

Figure 1: Debt accumulated by countries in conflict

A third feature that differentiates low-income countries is that the formal sector is generally much smaller and the informal (especially subsistence agriculture) sector larger than in middle-income countries. In some ways this makes some sort of recovery
easier – as people can and do retreat into informal activities to survive. But it also affects the nature of recovery policies; policies focussed on the formal sector are likely to reach only a fraction of the population. Extensive agriculture-based recovery programmes become essential. And it also means that the economic opportunities open to young people are extremely poor, which makes a recurrence of conflict a serious threat.

Extensive evidence has shown that low-income economies are more at risk of conflict than richer ones. It is well established that low average per capita incomes and low growth are both correlated with a higher incidence of conflict (see, for example, Collier and Hoeffler 2002; Fearon and Laitin 2000; and Nafziger and Auvinen 2000).

Theoretical explanations for this significant correlation however differ. One explanation is that citizens feel let down by the failure of the political system to deliver public goods and therefore are prepared to take to violence (Addison and Murshed 2005; Nafziger and Auvinen 2000). This has been interpreted as the state failing to fulfil its part of the implicit social contract that justifies state authority.

The fact that rebellions seems to be higher where there are more unemployed young men (Collier and Hoeffler 2002) may also be taken as evidence that this group of people feel little obligation to the state. Moreover, the correlation that has been found between poor education and conflict risk (Collier and Hoeffler 2004) can similarly be interpreted as a social contract failure.

There are alternative explanations for the higher risk of conflict among low-income countries, however. For instance, Collier and Hoeffler (2002) argue that the incomes that young soldiers lose from peaceful activities when joining a rebel organisation are lower in countries where in general opportunities for decent employment and income earning are weak – and these opportunities can be approximated by the level of GDP per capita.

Other scholars argue that “wealthier societies are better able to protect assets, thus making violence less attractive for would-be rebels.” (Humphreys 2003: 2) In the same vein, de Soysa (2002) argues that because wealthier states have higher state revenues, they are better able either to pacify or to crush a violent rebellion. It has also been suggested that the relationship between the wealth of a nation and conflict incidence could be “spurious in the sense that there are other features of a country, such as a democratic culture, that make it at once more prosperous and less violent” (Humphreys 2003: 2).

While the underlying cause of the association between low per capita income and civil war may be a matter of controversy, the strong statistical association suggests that there is an undeniable link. In a systematic review of different definitions of “civil war,” Sambanis (2004) finds that GDP per capita is the most robust economic variable that shows an association with conflict across different definitions of conflict.

The majority of post-conflict countries fall into the “low-income category.” This is partly because of the association between low income and the outbreak of conflict, but also due to the negative impact of civil war on incomes. Econometric studies suggest that on average a conflict country’s annual growth rate is reduced by 2 to 2.5 percent (see Collier 1999; Hoeffler and Reynal-Querol 2003; Imai and Weinstein 2000), but there are considerable variations across conflicts.

For example, Iraq’s growth rate during the Iraq-Iran war of 1979-91 was 16 percent less than the regional growth rate each year, and Nicaragua’s growth rate (1977-1993) was 5 percent less each year. Yet Guatemala’s growth rate was actually above the regional average during the 1965-1995 conflict. Equally, differences can be observed in savings and investment behaviour, with investment per head rising in Iran, Uganda and Guatemala during the conflict years, but falling dramatically in Burundi and Sierra
Leone, while in Nicaragua and Sudan the investment rate shows fluctuations with no particular trend (Stewart, Huang and Wang 2001).

There are several reasons for these differences. Probably the most important one is the nature, and in particular the location, of the war itself. When confined to one underdeveloped part of the country the bulk of capital may be unaffected. Where war is concentrated in a peripheral area – like Uganda’s long northern insurgency, Sri Lanka’s conflict which is concentrated in the Northeast of the country, the Thai rebels in the South of the country, Mindanao in the Philippines, the separatist movements in Indonesia, and the Sudanese wars in the South and in Darfur – the central economic engine seems to be broadly unaffected, and post-conflict policies can be focussed on the particular areas affected by conflict and do not need to deal with widespread destruction of physical and institutional infrastructure.

By contrast, in Afghanistan, Cambodia, and Mozambique, where conflict raged over long periods, albeit sometimes sporadically, and affected the entire country, far greater destruction of human and physical assets left an immense reconstruction requirement.

All types of capital stock are eroded or destroyed in war, though again with considerable variations across countries according to the nature of the conflict. First, physical facilities suffer direct attacks – roads, ports, and energy plants are often targeted. In Mozambique, for example, Brück (2001) estimates that there was a two-thirds reduction in operational dams and plant nurseries, with 40 percent of rural facilities destroyed or eroded.

Extensive destruction of livestock occurred in Afghanistan and Cambodia. Public investment is likely to be negatively affected by reduced revenue, and diversion of expenditure to military uses – indeed, Ra and Singh (2005) estimate that development expenditure in Nepal fell by one-third during the period 2001-2004, with the advent of civil war. Economic institutions are also often destroyed – in Uganda, the agricultural extension system virtually disappeared in the war in the mid-1980s (Matovu and Stewart 2001). In addition, social capital is weakened – with a severe loss in trust, particularly across groups.

Yet new forms of institution and social capital emerge – e.g., informal banking systems. Bonding social capital may increase, but bridging (and more formal) social capital can be sharply reduced. In some countries, widespread mining of agricultural land makes agricultural production difficult and dangerous in the post-conflict situation – much of Afghanistan, Cambodia and Mozambique suffered in this way. The nature of the reconstruction needed consequently varies with war damage to economic and social facilities and services.

One reason for these differences is that the external response varies, with some countries receiving large financial inflows from abroad, and others experiencing boycotts, depending largely on the geopolitical significance of the country and the conflict. For example, in the 1960s, South Vietnam received a huge amount of aid from the US, while the USSR supported North Korea. In contrast, Somalia and Burma have received virtually nothing in recent years.

Clearly, the situation confronting policy-makers when conflict ends is very different in those countries whose economies have been seriously negatively affected – such as Afghanistan or Cambodia – compared to those where it seems that business as usual occurred, as in Guatemala or Sri Lanka, where investment and incomes were sustained. This is a reason for careful consideration of policies towards countries suffering civil war, so that the worst effects may be avoided.

In sum, low-income countries are likely to be weak on human resources, to have few productive opportunities for their former soldiers as well as more generally, and to be weak on bureaucratic capacity. Agricultural and informal sectors need to be targeted if
the majority of the population is to be reached. Such countries are also likely to be heavily aid dependent, a situation that can be expected to last over the medium term. To make this challenge worse, these are countries that are particularly likely to fall back into war.

3.2 The presence of significant natural resources, notably oil

Countries with such resources have much smaller financial needs, but they also face greater likelihood of recurrence of conflict partly because they are likely to have high HIs. Their macro-economic policy is overshadowed by “Dutch disease,” which makes it difficult to diversify the economy, generally undermining non-oil activities (see, for example, Auty 1998). They need special policies to help manage the resources so as to make them developmentally effective and inclusive, as well as to reduce the likelihood of their leading to renewed conflict.

Considerable evidence has accumulated showing that the presence of natural resources such as oil, diamonds, timber, gold and illegal narcotics increases the incidence and duration of violent conflict. Collier and Hoeffler (2004) find a correlation of all natural resources as a proportion of exports and the incidence of conflict. Others (for example, Fearon and Laitin 2003) found the same relationship, taking oil exports only, while Humphreys (2005) found a relationship between both oil and diamond production per capita and civil war onset. Collier and Hoeffler's quantitative analysis suggests that ‘at peak danger (primary commodity exports being 33% of GDP), the risk of civil war is about 22%, while a country with no such exports has a risk of only 1%’ (2004:18).

A variety of mechanisms has been suggested for this connection:

- One is that the presence of such resources motivates “greedy” actors to fight in order to exploit these resources for private gain (Collier and Hoeffler 2004; Collier 2003).
- Another is that it permits the finance of prolonged and large-scale fighting (on the part of the government as well as rebels).
- A third explanation is that where the resources are located in particular regions, if they are taxed and the resources (or some of them) are channelled to other parts of the country, grievances arise among local inhabitants who may seek autonomy or separation (Tadjoeddin 2007).

The presence of high-value natural resources also frequently causes or accentuates HIs, feeding into conflict in that way. Several studies have argued, however, that greed-motivated actors, objectives and agendas are more important for sustaining and prolonging ongoing violent conflicts than causing them (see, for example, Ballentine and Sherman 2003; Keen 2000; Arnson and Zartman 2005). Lootable natural resources “not only provide armies with a means for continued fighting, they also become the reward against which they weigh the benefits of peace” (Downs and Stedman 2002: 57).

Whatever the mechanism, it does seem that high-value natural resources make conflict more likely and that therefore policies to deal with this issue need to be included in the post-conflict recovery agenda. In the post-conflict environment, dividing up the natural

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3 Analysed in Humphreys (2005).
resource cake can be an important issue that holds up peace, as we can observe in the case of Iraq.

Natural resources, do, however, offer a resource for reconstruction, which is lacking among most low-income economies. Appropriate taxation and use of the revenue is needed to make use of this resource. On the downside, natural resources make diversification particularly difficult, and special exchange rate and industrial policies may be needed to counter this.

Thus the presence of significant high-value natural resources (or not) is an important element in our post-conflict typology.

3.3 Horizontal inequalities in socio-economic dimensions

In recent years, horizontal inequalities or inequalities between “culturally” defined groups, in contrast to vertical inequalities, or inequalities among individuals or households, have become increasingly recognised as a major cause for violent conflicts, where inequalities are defined in terms of economic opportunities, unequal access to land and natural resources and standards of living and poorer performance along with other basic socio-economic indicators. This is in contrast to the evidence on the relationship between vertical inequality and conflict where the evidence is quite mixed (Stewart, Brown and Langer 2007).

Severe socio-economic horizontal inequalities can provoke feelings of frustration and discontent that may provoke violent group mobilisation and conflict along ethnic, religious or regional lines (Stewart 2000; 2002). Support for this view has been provided by numerous case studies documenting the importance of socio-economic horizontal inequalities in provoking violent conflicts (see, for example, Cobham 2005; Langer 2005; Ndikumana 2005), and the ways in which these differences were used to mobilise people for conflict.

In addition, several quantitative cross-country and within country studies have also found a significant association between the presence of severe socio-economic horizontal inequalities and the emergence of violent conflicts (see, for example, Mancini 2005; Murshed and Gates 2005; Østby 2006).

Socio-economic (i.e., horizontal) inequalities between different regions, ethnic groups or religious groups often result from such factors as regional climatological/ ecological differences and the differential impact of colonial and post-colonial economic policies, and sometimes from discriminatory economic systems which deliberately favour one “cultural” group over others. South Africa is a clear example, where the whites dominated the political system and introduced drastic discriminatory measures against the black population, leaving a legacy of sharp inequalities even after the majority blacks gained control over the government.

Hence those designing post-conflict policies need to find out whether HIs were an important cause of conflict in a country, and include policies to correct them where they were of significance to prevent such inequalities becoming a source of recurrent conflict (Stewart, Brown and Langer 2007).

4. Enabling conditions and obstacles

There are many conditions which influence how policies should be designed, and the possibilities for success. Here we pick out four:

- The security situation. Chronic ongoing instability in the centre of the country is likely to hold up progress.
• International conditions, and particularly international commitment to provide people to enforce the peace and aid to help in reconstruction and development.

• The capacity of the state to keep law and order and deliver services.

• The political inclusivity of the state.

4.1 The security situation

The extent to which policies for post-conflict economic recovery can be effectively implemented is heavily dependent upon the prevailing security situation in the country. As noted above, we can characterise many countries as having entered a post-conflict context, even when some groups are still operating militarily. In other cases, such as Guatemala, the end of military conflict may be accompanied by a drastic rise in “private” violence and criminality.

While the presence of negative externalities of peace does not entirely negate any advances towards post-conflict economic recovery, however, it does make implementation of such policies more difficult. Yet, arguably, economic recovery is all the more important in such circumstances – often, criminality is an “easy” option for ex-combatants, often brutalised by the war, and providing enduring prospects for gainful economic activity may be vital in preventing such criminalisation.

More generally, chronic instability at the political centre of a country is likely to hold up economic recovery for a variety of reasons. Aside from the direct loss of life and personal injury caused by continuing insecurity, the lack of physical security in a country can dampen or retard economic recovery because of the impacts of continuing violence and/or criminality on trust, transactions, the level of investment (local and foreign) and the ability to tax.

Lack of physical security across the country is likely to deter local and foreign investors. Long-term economic recovery depends on sustaining investment, and may require a rising inflow of foreign investment, especially if “aid flows from official sources eventually declining as donor fatigue sets in, foreign direct investment plays an important role in helping conflict-affected economies get off the ground. Foreign investment brings much-needed capital, spurs production, and generates employment in local industries” (MIGA 2003: 7).

Secondly, where security has yet to be firmly established, Governments are unlikely to be able to establish a broad tax-base through which to fund economic recovery programmes which is essential to ensure the broader functioning of the central state (Boyce 2007).

Apart from the economic effects, a weak security situation encourages people to join local militias to gain protection Guichaoua (2006), and gives power to “war-lords” which can then make conflict recurrence more likely.

4.2 International commitments

Many conflict countries require external assistance to help bring about and sustain security, as well as financial assistance to finance recovery. Where the state lacks the capacity to establish a safe environment for its citizenry, then the international community can play a vital role in (re)establishing state authority in the post-conflict context. Firstly, the deployment of peacekeeping troops can help prevent the recurrence of violent conflict.
Although an international presence sometimes appears to have exacerbated conflict – as in present-day Somalia or Iraq – the empirical evidence suggests that international peacekeepers tend to have a positive effect (Fortna 2004). Secondly, the international community can act as the important “third party” to prevent the post-conflict security dilemma, by providing credible guarantees of stability and disarmament (Bellamy and Williams 2005; Ripsman 2005).

Post-conflict countries vary in how they are viewed by the international community and consequently on the support for security and for economic recovery. The extent and nature of international assistance in any post-conflict country varies according to factors such as humanitarian concerns, international media attention, and historical linkages. Often the most important considerations in this respect are the political-economic and national security interests of powerful states.

Consequently, while in some cases the international community mainly limits itself to mitigating the humanitarian situation, in others it is willing to commit substantial resources and take responsibility for a wide range of activities beyond the immediate security aspects, including carrying out numerous administrative functions, as well as providing support, in finance and technical assistance, for a range of services.

In post-conflict conditions, foreign aid in the form of humanitarian aid flows, balance-of-payments support and debt relief usually plays a crucial role “in the rehabilitation of vital social services and productive infrastructure as well as to finance integration programmes for ex-combatants and civil returnees” (Carbonnier 1998: 36).

In addition, local expenditures by international agencies and personnel on offices, housing, counterpart staff and so on can have a considerable impact on a conflict country’s economic recovery (FitzGerald 1997). Yet the amount of foreign aid that different conflict countries received during the post-conflict period differs greatly. Thus, for instance, while Bosnia-Herzegovina received about US$246 of Overseas Development Assistance (ODA) per capita in the first three years (1996-1999) after the signing of the Dayton Peace Agreement in November 1995, Cambodia only received about US$34 of ODA per capita in the first three post-conflict years (1992-1995) (Nedic 2006). Differences in the treatment of accumulated debt represents another aspect of the international environment that is relevant to economic recovery.

This is not to argue that every post-conflict country requires the same amount of foreign aid in order to rehabilitate and re-dynamise its economy. The amount of foreign aid needed varies according to a country’s resource situation and stage of development, as well as the nature and extent of the social and economic damage caused by the violent conflicts. Indeed there is growing evidence that “fragile” states, including post-conflict countries, tend to have a low absorptive capacity for aid (McGillivray 2006).

Moreover, while a sudden influx of large amounts of foreign aid, in conjunction with the arrival of a large number of international agencies and personnel, usually results in an economic revival in the short term, in the long term, it has been argued that high aid inflows can impede conflict countries’ economic recovery (FitzGerald 1994; Utting 1994).

For example, high aid inflows can cause a sharp appreciation of a conflict country’s exchange rate which in turn may hamper its long-term development. Large aid flows can also weaken a country’s institutional framework, inducing aid dependency, decreasing local resource generation and leading to rent-seeking activities (Bevan 2005), and sometimes humanitarian and development assistance can have serious negative externalities by exacerbating tensions between different groups (Anderson 1996, 1999; Uvin 1998).
In sum, the international community’s readiness to commit people and finance to aid recovery – in relation to a country’s needs – is an important condition influencing recovery possibilities.

4.3 The capacity of the state to deliver services

Establishing effective service delivery is a key aspect of the broad development agenda, and is of particular importance – and faces particular obstacles – in the post-conflict environment.

The failure to establish good service delivery may increase the risk of a return to conflict, however. Walter’s (2004) econometric analysis of civil war recurrence finds strong positive correlations between poor and worsening post-conflict “living conditions” – measured in terms of infant mortality rate and rate of increase; and life expectancy – and civil war recurrence. An average post-war state with an infant mortality rate of 41/1,000 has a 0.5 per cent annual chance of returning to conflict; this risk more than trebles to 1.7 per cent for an IMR of 116/1,000.

State capacity is often weakened by conflict, either because resources are diverted to the military campaign, or because the conflict itself destroys the infrastructure, human capital, etc., necessary for the efficient functioning of the state. However, in some relatively small conflicts in well-established states, such as the UK vis-à-vis Northern Ireland and Spain vis-à-vis the Basque region, the day-to-day functioning of the state is hardly affected by conflict. At the other extreme are countries where conflict brings about the collapse of the existing state and no functioning replacement emerges; contemporary Somalia and the “Warlord Era” in China are examples. In other cases, the state may survive conflict, or a new state emerge, but without firm control over the full geographical extent of the country. Contemporary Afghanistan and Iraq are clear examples here. Consequently, the capacity of the post-conflict state to take responsibility for economic recovery varies quite substantially.

4.4 The political inclusivity of the state

The political settlements accompanying the resolution of civil wars vary significantly. In some cases, countries go to remarkable lengths to ensure political inclusion as a bulwark against a return to conflict; the intricate ethnic balancing of the Lebanese constitution is a good example here, while in other cases the state may make some moves towards inclusive government but these are largely symbolic and the state remains, in reality, dominated by particular groups and elites – Guatemala for example (Caumartin 2005).

Aside from its obvious normative advantages, political inclusivity is an important enabling condition for post-conflict economic recovery. Where states are less inclusive, they are less likely to undertake remedial policies in order to correct the economic damage of the conflict and to address underlying socio-economic grievances. For instance, regional inequality in Rwanda has worsened since the end of the civil war and the genocide (Finoff 2006). Walters (2004) finds that “true” democracies – which we can take as a proxy for some degree of political inclusivity – are significantly less likely to return to war in the post-conflict era.

5. Conclusions

This paper has shown that there are many differences among post-conflict countries which lead to differences in the appropriate policy responses – including differences in the economic situation, the nature of the state, its authority, capacity and intent, and
the international environment in which a country finds itself. Potentially, then, we could have many alternative typologies.

To simplify, and because the focus here is on economic recovery, we chose three economic aspects to form our typology – the state of economic development (which can be simplified to per capita incomes); the presence of high-value natural resources (oil, minerals); and the existence of sharp HIs. We chose these three because they influence the probability of conflict recurrence and the nature of economic policies needed to achieve economic recovery. In Table 2 below we illustrate how actual conflict and post-conflict countries fit into this typology.

Table 2: Preliminary assessment of different conflict and post-conflict countries according to the three main economic criteria

<table>
<thead>
<tr>
<th>Countries</th>
<th>Presence of high-value natural resources</th>
<th>Low level of development</th>
<th>Severe social and economic Horizontal inequalities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Low income country</td>
<td>Low HDI country (2006 HDR)</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>No</td>
<td>Yes</td>
<td>Yes ?</td>
</tr>
<tr>
<td>Angola</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Bosnia</td>
<td>No</td>
<td>No</td>
<td>No (?)</td>
</tr>
<tr>
<td>Burundi</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>CAR</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Chad</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Colombia</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Congo</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Eritrea</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Iraq</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Liberia</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Nepal</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>occupied Palestine</td>
<td>No</td>
<td>No</td>
<td>No data</td>
</tr>
<tr>
<td>Serbia</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Somalia</td>
<td>No</td>
<td>Yes</td>
<td>No data</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Sudan</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Besides the economic differences, we discussed four other important differences in enabling conditions – notably, the state of security, the commitments of the international community to the country, state capacity and the inclusivity of governments. These enabling conditions are of critical importance in determining what policies are possible and their likely effectiveness.
6. References


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