Trade, Aid and Security
An Agenda for Peace and Development

Chapter 2: Developing Conflict-sensitive Aid: The Relationship between Aid and Conflict
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Foreword by Lloyd Axworthy
This chapter is about constructing aid policies that are ‘conflict sensitive’. Many donors today support a wide range of projects related to ‘peace-building’ – efforts aimed at resolving conflict, at promoting post-war reconciliation and the strengthening of institutions that contribute to social peace. More specifically, such efforts may deal with the demobilization and reintegration of combatants, support for truth and reconciliation commissions, the creation of civil society partnerships and conflict-sensitive media and communications strategies. This chapter is not about that sort of peace-building, although it touches upon it. The chapter is about the wider role of official development assistance and where it fits in relation to conflict and conflict prevention.

Lessons of history: See no evil

Rwanda

Critics of development assistance have long said that aid can make things worse, that it can ignore signs of trouble, and that in supporting bad governments it can help set the stage for conflict. There is no country in recent years more studied than Rwanda, because the violence that erupted there in 1994 was so
devastating, and because the outside world did so little to stop it. Many studies have pored over the warnings that were available in the months before the genocide began in April 1994, and many have condemned the unwillingness or the inability of the international community to take the warnings seriously. The UN peacekeeping force, installed in 1993 to deal with the country’s low-grade civil war, had only 2500 troops and 80 serviceable vehicles recycled from a UN operation in Cambodia when the real violence erupted. At that point, the UN Security Council could have done one of two things: it could have done more; or it could have done less. It did less, and the rest is history.

But the prologue to the story is longer and more complex than many histories have shown. Where foreign aid is concerned, it was not so much a matter of ignoring or misreading the signs, but of actively building the capacities of a government with murder on its mind. One of the most damning studies has been written by a Swiss-born former NGO worker, Peter Uvin. Uvin lays bare the contradictions between the genocide and the attitude of donors who had until the last moment regarded Rwanda as a model of development in Africa. Rwanda had certainly showed promising performance in almost all development indicators – economic growth, government services and food security. Up to the last minute, Uvin says, ‘thousands of technical assistants and foreign experts were building roads, extending credit, training farmers, protecting the environment, reorganizing ministries, advising finance officials and distributing food aid, at a cost of hundreds of millions of dollars a year – the lion’s share of all government expenditures. For most of these people, up to the end, Rwanda was a well-developing country – facing serious development problems, but dealing with them much more effectively than were other countries’ (Uvin, 1998, p2).

The development enterprise in Rwanda was, Uvin says, by and large a noble one. Rwanda was of little political interest to any of the major donors, and aid came with few of the strings and caveats of the Cold War and immediate post-Cold War period. But the truth about Rwanda, understood largely in retrospect, was more complex than what outsiders saw and understood. The majority of Rwanda’s people lived in absolute poverty, with few prospects for improvement. Aid programmes had made little difference. An uneducated, ill-informed public was treated in an authoritarian and oppressive manner by an arrogant government with a solid track record of corruption and human rights abuse. Regional and ethnic inequality was palpable, exacerbated by a history of state-sponsored racism. And violence had erupted in the past. Uvin says that these factors – exclusion, inequality, pauperization, racism, structural violence and oppression – all interacted with processes of development assistance to lay the groundwork for the genocide. Foreign aid contributed through action – in supporting and building the capacity of the government – and through inaction – in ignoring unmistakeable warning signs and in failing to mitigate the worst aspects of poverty, exclusion and violence.

Uvin ends his book with a question: ‘Could and should aid have acted differently?’ As to whether donors should, or could have done anything differently, these questions relate in part to concepts of what foreign aid is all
about, and to questions of conditionality and state sovereignty. These will be addressed later in more detail; however, 1994 was not exactly the dark ages of human rights awareness and donor conditionality. By the 1990s human rights as a component of good governance was well understood. Patchy as the donor application of human rights criteria may have been over the years, this was not *terra incognita*. And by 1994, donors had almost two decades of aid conditionality under their collective belt. Most of this, however, related to good economic, rather than good political or social governance, manifesting itself largely in structural adjustment programmes and what became known as the ‘Washington Consensus’. This consensus was based on less rather than more government, trade liberalization and building the groundwork for enhanced foreign investment.

Rwanda was familiar with this kind of conditionality. A $90 million structural adjustment programme had been concluded with the World Bank in 1991, with additional loans negotiated in 1992 and 1993. A 40 per cent devaluation of the Rwandan franc led to higher rates of inflation. This, along with increased user fees in the health, education and water supply sectors only exacerbated the poverty in which much of the population lived. Rwanda’s debt rose from 32 per cent of GNP in 1990, to 62 per cent in 1993. On top of a civil war and bad political governance, it is perhaps not surprising that the economic chemotherapy failed to work.

Many lessons have been drawn from Rwanda, but lessons drawn are not the same thing as lessons learned or lessons applied. The following pages will examine current conditions in two other countries that are the recipients of considerable foreign assistance, and where certain parallels with the Rwanda of 1994 can be discerned.

**Nigeria**

Nigeria, of course, is not exactly Rwanda. It is a vast country with a population the size of Germany and Italy combined. At more than 130 million people, Nigerians represent nearly a quarter of all those living in sub-Saharan Africa. Seventy-five per cent of the land is arable, and Nigeria has abundant resources of coal, tin, gypsum, columbite, gemstones, marble, uranium and other resources. Nigeria is the sixth largest oil producer in OPEC, and at the 2005 production rate of 2.6 million barrels day, current reserves are predicted to last for 40 years or more (CIA World Fact Book, 2006).

And yet Nigeria is a mess, from almost every point of view. More than 70 per cent of the population lives on less than a dollar a day, one out of every five Nigerian children dies before the age of five and at least four million people are living with, and dying from, HIV/AIDS. Half of the country’s adults are illiterate, and only half of the children attend primary school. Despite a 1999 return to civilian rule after decades of military mismanagement and corruption, the government has been unable to rectify some of the worst aspects of economic and political mismanagement. Inflation is high, growth is weak, and most of the wealth is in the hands of a small and incredibly rapacious elite.
While freedom of expression and media independence are better than in the past, opposition leaders and journalists take their lives in their hands if they are overly critical of government. Human Rights Watch has documented a wide range of attacks and killings – often by police – of journalists, human rights activists and opposition politicians (Human Rights Watch, 2003). In a 2003 report, the US State Department noted that ‘The government’s human rights record remained poor … the national police, military and security forces committed extra-judicial killings and used excessive force to apprehend criminal suspects and to quell several incidents of ethno-religious violence’ (US Department of State, 2002).

Between 1967 and 1970, Nigeria’s devastating civil war took the lives of something between one and three million people – in the hostilities, and from other war-related causes. Another three million people were displaced, many of them for years. One of the triggers for the war was communal violence – committed largely by Muslim northerners against Christian Ibos from the south. These riots took the lives of 6000–8000 people (de St. Jorre, 1972, p86). Today, inter-communal violence in Nigeria has become commonplace, with riots in Kaduna, Kano and Plateau State taking the lives of more than 50,000 people between 2001 and 2004 alone. Since 2000, 12 northern Nigerian states have introduced Sharia law, exacerbating tensions between Muslims and Christians, and are using the new laws as the basis for committing a wide range of human rights abuses.

Thousands of people have also been killed in the Niger River delta area in recent years as a result of inter- and intra-communal violence, violence between criminal gangs, and violence committed by security forces sent in to quell disputes.

While many reports on Nigeria say that things are better today than when under military rule, it is hard to imagine that the cumulative violence, human rights abuse, corruption and mismanagement – along with the country’s crippling poverty – are not taking a major toll. The words Uvin uses to describe Rwanda in 1994 could as easily be used to describe Nigeria today: exclusion, inequality, pauperization, racism, structural violence and oppression.

In 2005, the National Intelligence Council in Washington produced a scenario that is widely discussed in Nigeria, but rarely in writing – the potential for outright collapse. ‘While currently Nigeria’s leaders are locked in a bad marriage that all dislike but dare not leave, there are possibilities that could disrupt the precarious equilibrium in Abuja.’ The report says this could perhaps be triggered by a military coup. Whatever the cause, ‘If Nigeria were to become a failed state, it could drag down a large part of the West African region. Even state failure in small countries such as Liberia has the effect of destabilizing entire neighbourhoods’ (National Intelligence Council, 2005).

**Bangladesh**

Bangladesh gained its independence from Pakistan in a bloody war. The country began its life in 1971 as a kind of ‘failed state’ before it was actually
a state, and predictions for its 70 million people – living in a country the size of Maine – were dire.

Defying logic and prediction, Bangladesh – which had a 10-million ton annual food deficit in the 1970s – has today become largely self-sufficient in rice and wheat, even though the population has doubled. Bangladesh has reduced child mortality, eradicated polio and has enjoyed annual GDP growth rates averaging 5 per cent over the past decade. Despite a stormy political history, the country has been governed by a parliamentary democracy for the past 15 years. Emerging from a conservative Muslim tradition, women have taken an increasingly important role in society, and both prime ministers since 1991 have been women. These are remarkable achievements that few among even the most optimistic would have dared to predict 30 years ago.

But there is another side to Bangladesh. It is the most densely populated country in the world. Half the population lives in abject poverty, and despite its remarkable agricultural track record, the prospects for the 240 million people who are likely to live in Bangladesh by 2020 are not hopeful. Donors optimistically say that with good public policies, strengthened institutions and sustained levels of growth, some of the MDGs could actually be met in Bangladesh by 2015.

But Bangladesh does not have good public policies, strong institutions or the levels of growth that will be needed. The parliamentary democracy that has succeeded 20 years of coups, counter-coups and military government is fragile. In opposition, each party makes it as difficult for the other to govern as possible. The general strike or hartal, initiated by Gandhi as a demonstration of peaceful resistance to British rule, has become the order of the day, disrupting and paralysing government on a regular basis. Between 1990 and 2002 there were 827 hartals, estimated to have cost the economy 3–4 per cent of GDP (UNDP, 2005a).

All donors recognize that poor governance threatens everything in Bangladesh – growth, security, human rights and democracy. In August 2005, more than 300 small bombs were set off within minutes of each other in Dhaka, causing panic in the streets and even greater panic in the corridors of power. Leaflets found at bombing sites called for the imposition of Islamic law. More bombs followed. The erosion of what few democratic processes remain is rampant; communal violence is largely ignored as a concession to increasingly militant fundamentalist parties; and Bangladesh, along with Nigeria and Haiti, now finds itself at the very bottom of Transparency International’s corruption index. Like Nigeria, Bangladesh bears all the hallmarks of Peter Uvin’s Rwanda: exclusion, inequality, pauperization, racism, structural violence and oppression.

And like Nigeria, Bangladesh has experienced serious violence. The consequences were calamitous – not just for Bangladesh, but for its neighbour, India. Independence came to Bangladesh after a brutal Pakistani army crackdown following a national election that might have given national power to a regional Bengali political party. Throughout 1971 a campaign of suppression led to a huge number of deaths and displacement. In December of that year,
India stepped in, declaring war on Pakistan and forcing a surrender before the new year. The issue here is not the cause of the cataclysm, but the result in human terms. UNDP placed the number of refugees fleeing the country at 10 million – certainly the greatest refugee crisis since World War II. The number of internally displaced was perhaps as high, and as many as a million people died. The cost of collapse today – in human terms, political terms and in regional terms – would arguably be as high or higher.

*Foreign Policy* places Bangladesh 17th on a list of 60 countries described in a ‘failed state index’. Many of the countries on the list are far from ‘failed’, but using indicators that include demographic pressures, human rights, uneven development, economic decline and delegitimization of the state, Bangladesh finds itself with the same ranking as Burundi, and only slightly ahead of Zimbabwe and North Korea (*Foreign Policy*, 2005).

Both Nigeria and Bangladesh are recipients of large amounts of foreign assistance – $1.4 billion in the case of Bangladesh in 2003, and $318 million in the case of Nigeria. Apart from objective need, donors view both Nigeria and Bangladesh from a political perspective. As USAID puts it, ‘Bangladesh is one of the world’s few moderate, democratic Islamic nations. If its fragile democratic institutions or growing market economy do not advance, the consequences for its neighbors and for U.S. interests could be quite serious’ (USAID, 2004a). Quite. In its 2005 Congressional budget justification for Nigeria, USAID says, ‘As the most populous sub-Saharan African nation and as an established leader in regional initiatives, including the New Partnership for Africa’s Development (NEPAD), Nigeria’s prosperity and stability are essential to growth and stability in West Africa, and more generally to the continent as a whole. Nigeria also supplies about 10 percent of U.S. crude oil requirements, is our second-largest trading partner in Africa, and is the recipient of significant U.S. foreign investment’ (USAID, 2004b).

Rather than Uvin’s question about Rwanda – ‘Could and should aid have acted differently?’ – the question about Nigeria and Bangladesh, and a dozen other fragile states relates to the present: ‘Are aid agencies doing the right thing, right now?’ Or are they ignoring unmistakeable warning signs and failing to mitigate the worst aspects of poverty, exclusion and violence? The warning signs, in fact, are not being ignored – in the sense that new emphasis is now being placed by many donors on ‘good governance’, which includes good policies and administration, democracy, human rights and conflict prevention. USAID will spend $7 million of its planned $50 million 2006 budget in Bangladesh on the promotion of governance and democracy. And in Nigeria, where it is the largest donor, it will spend $8 million out of $46 million on governance and democracy.

But to the question ‘are they doing the right thing’, the answer is at least a partial ‘no’ in the sense of overall quantity of aid and the urgency with which the problems – both those related to governance and those related to poverty reduction – are being addressed. Where governance is concerned, three or four or five million dollars is not insignificant but, even when tripled to account for all other donors, is hardly enough to make a dent in countries where governance
is as bad as it is in Nigeria and Bangladesh, where politics have been seriously
criminalized, and where the consequences of collapse are so dire.

A more critical question about spending on governance is, ‘Are aid agencies
doing things right?’ This question will be addressed in the pages that follow.

**Governance**

**Human rights and economic governance**

‘Governance’ and more especially ideas about ‘good governance’ have come
late to the development agenda, appearing in tentative form in the mid-1980s,
but remaining constrained by the Cold War until its unexpected demise in
1989. Today the term covers a multitude of meanings, but it is essentially
about building effective institutions and rules imbued with predictability,
accountability, transparency and the rule of law. It is about relations between
institutions and processes, governmental and otherwise.

The discourse on good governance and its manifestation in aid programming
began with human rights, moved into concerns about economic management
and structural adjustment, and began to concern itself with democracy and
the rule of law in the 1980s. The issue of good governance is important to
conflict-sensitive aid programming, not just because well-governed states are
thought to be less inclined to conflict than others, but because pushing too
hard on buttons marked ‘governance’ without understanding all the possible
consequences can lead to unforeseen results, and sometimes to conflict.

In its earliest incarnation, and still unnamed as such, concern about
governance was manifested in human rights conditionalities. The 1975
Helsinki Accords were an early influence on communist signatories in the field
of human rights. The Carter administration stressed human rights in US aid
allocations – if somewhat selectively – and other countries began to introduce
human rights into their development programming at about the same time.

A variation on the governance theme, although not labelled as such at
the time, was growing concern about economic management in developing
countries. The oil crisis of the 1970s, global recession, famine and drought, and
commodity and debt crises led one country after another into difficult IMF
stabilization agreements. Structural adjustment became the watchword of the
decade under the general rubric of governance – or more pointedly, economic
governance. During the 1970s, the IMF engaged in about 10 stabilization
programmes a year. In 1980 the number rose to 28 and by 1985 there had
been 129 more. Typically, adjustment programmes had three components:
expenditure reduction; expenditure switching (exchange rate devaluation,
reductions on subsidies, import controls and taxes); and institutional and
policy reforms (trade liberalization, privatization, fiscal reform, and less state
involvement in the economy). This approach became known as the ‘Washington
Consensus’.
By the late 1980s, the side effects of structural adjustment were proving worse in many cases than the disease. In 1987, UNICEF produced an influential review of the experience thus far and concluded that ‘overall, prevailing adjustment programmes tend to increase aggregate poverty, or in other words the number of people – and of children – living below the poverty line’ (Cornia et al, 1987, p66). For most donors, however, the governance issue remained fixed for several more years on the economic agenda. It is only in more recent times that imposed economic formulae were seen to be failing, and in some cases making matters worse. The ‘IMF riot’, commonplace across the developing world, from Malaysia to Uganda to Bolivia, was hardly what might be called a conflict-sensitive aid outcome. As Joseph Stiglitz, former vice president of the World Bank puts it, ‘The very notion that one could separate economics from politics, or a broader understanding of society, illustrated a narrowness of perspective. If policies imposed by lenders induce riots … then economic conditions worsen, as capital flees and businesses worry about investing more of their money. Such policies are not a recipe either for successful development or for economic stability’ (Stiglitz, 2002, p47).

Democracy

Many studies over the past 15 years have made a direct link between the spread of democracy and reductions in armed conflict, thus supporting and encouraging donor involvement in these areas (Weart, 1998; Diamond, 2002; Windsor, 2003). The UN has invested a decade, not just in the idea, but in holding elections and promoting democratic institutions from Cambodia to Sierra Leone, from East Timor to Burundi. NEPAD, widely endorsed by African and donor governments, has as its first principle, ‘good governance as a basic requirement for peace, security and sustainable political and socio-economic development’. NEPAD does not hedge on the word governance as some donors do; for NEPAD, governance and democracy go hand in hand: ‘democracy and good, political, economic and corporate governance’.

During the 1960s, the 1970s, and well into the 1980s, the Cold War dampened any serious discussion of democratic development in a wide range of superpower client states – Zaire, Liberia, Somalia, Ethiopia, Afghanistan, Mozambique, Angola. Other truants, such as Indonesia, Pakistan and China, were also excused from the discussion for strategic or commercial reasons. But a burst of democratic change in Latin America during the 1980s sparked change elsewhere, and the last year of the 1980s was a seminal moment for democratic development. In 1989, a wave of independence surged across a dozen Soviet vassal states, and the Cold War stumbled to an unexpected end. Suddenly, the gloves were off and ‘democracy’ could be discussed in polite company. In its 1989 DAC report, the OECD said, ‘Now that the word “democracy” has become an acceptable word to use in development circles, we are also hearing more often concerns about “corruption”… We are even beginning to hear that one-party systems do not work’ (OECD, 1989, p16). It went further, saying that ‘There is a vital connection, now more widely appreciated, between
Developing Conflict-sensitive Aid: The Relationship between Aid and Conflict

open, democratic and accountable political systems, individual rights and the effective and equitable operation of economic systems’ (OECD, 1989, pii).

Elsewhere in the governance debate, some are beginning to cast doubt on the idea that there might be a correlation between democracy and growth. ‘As a whole,’ writes David Gillies, ‘the empirical evidence directly linking democracy and economic growth is ambiguous at best. There is no iron-clad law defining the relationship between democracy and economic growth’ (Gillies, 2005). It might be noted, of course, that there is, in fact, no ironclad law defining the relationship between anything and economic growth.

But legitimacy is an important part of effective governance, and while historically it has taken many forms, Francis Fukuyama observes that ‘in today’s world the only serious form of legitimacy is democracy’ (Fukuyama, 2004, p28). Accountability is important, but it is unlikely to be adequate or effective if allegiance is owed more to donors and international financial institutions than to the citizenry. And while the relationship between development and democracy may be contested, the argument could be stated another way. There is no correlation – and certainly no ironclad law – linking authoritarian governance and economic growth, as countless dictators have demonstrated in recent years. Amartya Sen has demonstrated how a free press and accountable politicians can help to avert famine. Certainly, he says, democracies are more likely than dictatorships to enjoy long-term political stability (Sen, 2000). And in a democracy, a bad government can at least be defeated at the polls.

**Justice**

Justice is seen by the victims of conflict as an important part of coming to closure. At the conclusion of many of today’s wars, however, justice is reduced to a ‘Truth and Reconciliation Commission’, a process that serves a cathartic purpose, perhaps, but one from which justice is largely absent. Listen to the words of a Sierra Leonean in a camp for people who had their limbs hacked off by rebel soldiers:

>We were told to forgive, but forgiveness doesn’t hold any water without restitution, and we are not getting any. We continue to suffer, we can’t afford education for our children, and our families scatter because we can’t look after them… The ones who did this to us are getting support – training, kits, money, and jobs. They actually got compensation for what they did. The security everyone talks about is at risk, not just for us but also for our children, the next generation. I am supposed to forgive, but what about my children – deprived of education and a life? For us, if there is to be security, this matter has to be settled. (Donini et al, 2005, p43)

Multiply that personal tragedy by a million or two stories from developing countries, and consider how long it took to bring Charles Taylor, Liberia’s former warlord president and the progenitor of untold horrors across West Africa, to justice. Forced to step down in 2003 in a deal to end a dozen years of bloodshed in Liberia, Taylor was given asylum in Nigeria, despite
an indictment for murder and war crimes by a UN-backed international war crimes court in Sierra Leone. Taylor languished with impunity in a Calabar villa until March 2006, when Liberia’s newly elected government finally asked Nigeria to hand him over. The Security Council could have made the request any time during the intervening 30 months, but did not. And it did nothing when The Netherlands refused for months to allow the trial venue to be moved – for safety reasons – from Freetown to The Hague. It could be said that all’s well that ends well: an African tyrant will now face justice, something of a precedent. But it happened despite, and not because of the efforts of the world’s largest donor governments and the UN Security Council. Had tiny Liberia not made its request to Nigeria, Taylor would still be free in Calabar, the beneficiary of an all-too-frequent conflict-insensitive arrangement with long-term negative implications for peace.

Civil society

The term ‘civil society’ entered the democratic governance discourse in the early 1990s, but the ideas about the importance of civil society as an alternative to the state, or as a buffer, go back to the writings of De Tocqueville, Hegel and Gramsci. Certainly NGOs and other civil society organizations – trade unions, educational institutions and professional associations – have long been programming actively in developing countries, usually with significant support from their home governments. But it was not until the publication of Robert Putnam’s 1993 study of governance in Italy that ideas about civil society’s role in the promotion of democracy began to gel. Making Democracy Work: Civic Traditions in Modern Italy found – through a detailed analysis of 500 years of documented Italian history – that it was civic institutions and what Putnam called ‘social capital’ that made the difference between the north of the country, where democracy and good governance in the north of the country were established, and the south, where they were not.

Soon, there were university courses and a small publishing industry devoted to the subject. Definitions and descriptions proliferated. But as with other big new ideas, the civil society bloom was short-lived. Although it still enjoys a kind of half-life, civil society is no longer touted as the answer to all problems, and in many developing countries the idea of building the capacities of civil society is no longer so much about buffering against the state as creating alternative service providers where the state had been downsized and emasculated courtesy of the Washington Consensus. Instead of supporting civil society organizations as development institutions in their own right, many donors tend to instrumentalize them as contractors, persuading them into government and donor-led priorities. Too few civil society organizations today, especially in developing countries, have the financial wherewithal to undertake independent study and to engage in the advocacy and policy dialogue that Putnam saw as so essential to democratic development.
Programming for good governance

Today, a billion, or perhaps even two billion people, live in poverty-stricken informal economies, making lives for themselves that are almost completely outside the formal structure of the state. This is not to say, however, that they do not understand concepts of good governance. Unlike the many donor governments that actively supported the criminalization of governance in Zaire, Liberia, Angola and a dozen other places over three or four decades, most citizens of these countries could always tell the difference between a political right and a political wrong. Whenever they are given the opportunity, hundreds of thousands of illiterate and desperately poor people go to the polls in hopes of electing a better government. Even the poorest villager in Africa knows what corruption is, what a judge is supposed to do and why there are police.²

The problem is not so much knowing what good governance is, but how to promote, achieve and sustain it. As Kofi Annan has put it, ‘Obstacles to democracy have little to do with culture or religion, and much more to do with the desire of those in power to maintain their position at any cost. This is neither a new phenomenon nor one confined to any particular part of the world’ (UNDP, 2002, p14).

Sue Unsworth, formerly Chief Governance Advisor at DFID, suggests – under the heading ‘rethinking governance’ – that donors must ‘increase their understanding of political and institutional context . . . [they must] increase their awareness of the impact of external interventions on local initiatives and capacity for action’ (Unsworth, 2005, p12). She suggests a number of other ideas familiar to donors in other settings: the need for donor coordination and harmonization; predictable funding; giving real meaning to the idea of local ownership; finding out what is working and why; and limiting expectations.

Merilee Grindle writes about the long, expanding and overwhelming nature of the good governance agenda. She says that ‘there is little guidance about what’s essential and what’s not, what should come first and what should follow, what is feasible and what is not. If more attention is given to sorting out these kinds of issues, the end point of the good governance imperative might be recast as “good enough governance”, that is, a condition of minimally acceptable government performance and civil society engagement that does not significantly hinder economic and political development and that permits poverty reduction initiatives to go forward’ (Grindle, 2002, p1). More to the point, she suggests that donors should keep their eye on the ball, making as clear a connection as possible between ‘good enough governance’ and poverty reduction. In the short and medium term, some improvements in governance may be less important than others in helping to reduce poverty. Most importantly, she suggests, good governance – especially good enough governance – requires research and critical analysis (Grindle, 2002, p27). And presumably, it requires a willingness among donors to apply the lessons that are being learned in this highly complex field.
Greed, grievance and the resource curse

Economic agendas

Economic agendas are not a new factor in war. In fact many wars have been fought almost exclusively for economic purposes – to gain access to land, oil, the sea. As a Soviet writer once put it, wars are fought for ‘freedom, or iron, or coal, or the devil knows what’ (Van Crevald, 1991, p187).

Civil wars in Africa over the past three decades have been seen largely in terms of power and grievance – ethnic grievance, political grievance, territorial grievance, religious grievance. Apart from an unbridled quest for power, however, the wars of the 1990s in countries like Angola, Sierra Leone and Liberia were baffling to journalists, diplomats and academics alike, unfamiliar with Africa and grappling with a change in the way wars were being fought. No longer something that took place mainly between nations and between formal armies fighting pitched battles, conflict was now something that occurred mainly within countries, often between inchoate groups with unclear ambitions and ideologies.

In fact, while many of these groups may have been (and may still be) inchoate, with unclear ideologies, their ambitions never have been vague. Foday Sankoh’s Revolutionary United Front (RUF), Charles Taylor’s National Patriotic Liberation Front in Liberia, and Jonas Savimbi’s União Nacional para a Independência Total de Angola (UNITA) in Angola demonstrated clearly that their concerns about injustice and bad government were far less important to them than gaining power. All were prepared to use whatever means they could to further their aims, including child soldiers, all-out attacks on civilian populations and the most barbaric tactics imaginable. They, and later counterparts in the DRC, were pioneers in developing a new technique to pay for their wars. In the declining presence of great-power patrons in the post-Cold War world, they discovered that they could occupy land, harvest saleable natural resources, and trade them for weapons. Savimbi became a master at selling Angolan diamonds, at one time exporting hundreds of millions of dollars worth in a year. Charles Taylor financed his war by cutting down some of Liberia’s best hardwood forests. And Foday Sankoh, with assistance from Taylor, went on a looting rampage in Sierra Leone’s alluvial diamond fields.

A 1999 conference on ‘economic agendas in civil wars’ led to an edited volume the following year entitled *Greed and Grievance: Economic Agendas in Civil Wars*. The chapters shed light on the contours of ‘economic agendas’, but the details were still vague. Paul Collier at the World Bank, for example, wrote: ‘A country that is heavily dependent upon primary commodity exports, with a quarter of its national income coming from them, has a risk four times greater than one without commodity exports’ (Collier, 2000, p97).

It is true that poor countries with significant resources – of oil, for example – have suffered from conflict. Copper was a major factor in the Bougainville secessionist movement, and drugs have played a role in several conflicts. Collier explored some of these issues, but missed at first a key point that Sankoh, Taylor and Savimbi did not. Had the resource in their case been oil, they would
not likely have had anywhere near the success they did, because none of them had the technology or the investment required to exploit oil. The Bougainville Revolutionary Army may have been fighting to gain control over copper, but it was never able to mine and sell copper in order to buy guns. As Laurent Kabila did in the DRC, it might have been able to sell ‘futures’ to unscrupulous entrepreneurs, but this requires business savvy, connections and time. The key distinction in Angola, Liberia and Sierra Leone, and later in the DRC, was the lootability of timber, coltan and diamonds, and an ability to sell the goods into a ready market that had little regard for legality.

**Some lessons from the diamond trade**

The implications of this for the international community became clearer as the ugliness of the wars grew, and as reports from NGOs began to pinpoint the issue more clearly. Global Witness focused on Angola and Partnership Africa Canada investigated Sierra Leone, publishing articles and starting a campaign that by the middle of 2000 had spooked the diamond industry into engagement. The Kimberley Process, as it became known, produced a global certification scheme for rough diamonds in almost record time – 40 months from the date of the first meeting in May 2000. This was significant not only because of the amazingly short time it took to reach an agreement of this type, but because it brought together NGO campaigners, industry and the governments of some 60 different countries.

Some countries were excluded: Liberia because of UN Security Council sanctions, which were imposed in 2000, and the Republic of Congo (Brazzaville), which was expelled in 2004 because it could not explain where the diamonds it was exporting had originated. The impact of the Kimberley Process was clear and it was important. The fact of the negotiations alone helped choke off the money supply to UNITA, the RUF and Charles Taylor, and all were soon in military difficulty. And once the agreement had been made, legitimate diamond exports from conflict countries grew quickly. The DRC exported more diamonds in 2004 than in any other year in its history. Sierra Leone’s official exports grew from almost nothing in 1999 to more than $126 million in 2004. The Kimberley Process remains a work in progress, but it has been remarkably effective in helping to reduce or stop conflict in four countries, has significantly boosted the official exports earnings of three, and has helped to clean up an industry that on its margins had become seriously criminalized.

Surprisingly, aid agencies played a remarkably small role in the Kimberley Process. DFID and the Canadian International Development Agency (CIDA) co-financed some of the work done by NGOs, but governments at the Kimberley Process negotiating table were always represented by their foreign ministries or their mining ministries. Bilateral aid agencies, the World Bank and UNDP almost never appeared at Kimberley Process meetings. This perhaps made sense, given the limited mandate that the Kimberley Process set for itself, but the issue of conflict diamonds goes deeper than achieving better control over imports and exports.
There are more than a million alluvial artisanal diamond diggers in Africa. Most are in the informal sector, and most earn less than a dollar a day. It is a casino economy in which people hope to get rich quickly, but where most end up living in absolute poverty, working in conditions where health and safety are everyday hazards. The alluvial diamond fields of Africa were easy pickings for rebel armies, and they remain a destabilizing influence on local, national and regional economies across Africa. But because alluvial diamonds are close to the surface and are spread over hundreds of square kilometres, governments have never been able to regulate their exploitation very well or for very long. The expulsion in 2004 and 2005 of some 200,000 Congolese diamond diggers from Angola is an example of the human scale (and the human tragedy) associated with alluvial diamonds. Worse, as a solution to illegality it is unlikely to be effective for long.

The bigger picture

Lootable resources aside, World Bank research has demonstrated that there is a high correlation between conflict and three conditions: low average incomes (i.e. poverty), low rates of growth and a high dependency on the export of primary products (World Bank, 2003). When average incomes double, the risk of civil war declines by half. The reasons are not hard to fathom. Poverty and low growth breed resentment and may well be associated with bad governance. The exploitation of natural resources – especially if done in developmentally or environmentally unsound ways – can exacerbate the situation, deepening resentment and widening the gap between rich and poor. In Nigeria, for example, people in the delta regions see little return on the oil being pumped from their region. It is a short step from unrequited civil disobedience to damaged pipelines, government retaliation and outright conflict.

In addition to improving the international governance of natural resources and shutting rebel organizations out of the market – which is what the Kimberley Process aims to do – the World Bank suggests a number of other things that can be done:

- **Focus aid on poor countries.** While this seems obvious, donors need constant reminding. The risk of conflict is higher in the poorest countries than in others. (Focusing on the poorest makes sense for other reasons as well, not least because that is what taxpayers think their governmental aid agencies actually do.)
- **Promote good governance,** especially in countries with weak policies and institutions, and where democratic processes are weak. Use aid to reinforce good governance and democratic processes. (As noted above, this is a lot easier said than done. See Chapter 3)
- **Reduce the exposure of poor countries to price shocks.** Many of Africa’s current economic problems were triggered by the oil crisis of the 1970s. Price volatility in oil and other commodities remains a problem and is especially problematic in countries where policies and institutions are fragile.
• *Attract more reputable resource extraction companies.* Like all of the recommendations above, this too is much easier said than done. It is especially difficult for countries emerging from conflict to attract solid investors, but countries with weak governments and bad track records on probity and transparency will find themselves choosing among untried junior mining companies and unattractive bottom feeders. Donors need to think about how they can assist in attracting a better class of investor to countries where governance and democratic processes are improving (World Bank, 2003, pp175–184) (See Chapter 5).

• *Increase the transparency of natural resource revenues* (and tighten scrutiny on illicit payments). It is essential that resource revenues be well used; it is equally important that citizens of and donors to developing countries see that resource revenues are being well used. This calls for much greater degrees of transparency in resource management. The NGO-led ‘Publish What You Pay’ (PWYP) campaign and the Extractive Industries Transparency Initiative (EITI) promoted by the British government encourage greater transparency (see Chapter 6).

To this list might be added some imprecations from a 2005 study commissioned by UN Global Compact: *Enabling the Economics of Peace; Public Policy for Conflict-sensitive Business* (UN Global Compact, 2005). This study, initiated by the German government, speaks about the importance of strengthening and harmonizing inter-state efforts to govern cross-border economic transactions in order to prevent conflict, corruption and criminality. And it says that donor and host governments need to develop policies and practices to support private sector efforts to reduce the negative impact of business operations in societies susceptible to conflict.

**The smaller picture**

Artisanal and small-scale mining (ASM) goes well beyond the million or so alluvial diamond diggers in Africa, described above. Between 13 and 20 million people in more than 50 developing countries are involved in small-scale mining, and another 80–100 million depend in some way on this sector for their livelihoods. ASM touches gold, silver, tin, coal, coloured gemstones, coltan, amber and a dozen other minerals. Artisanal and small-scale miners live in a high-risk, low-pay environment, fraught with health and safety perils. ASM is a vector for malaria, HIV/AIDS and other diseases and is a sink of female exploitation and child labour. Artisanal miners are easy prey for bandits, rebel armies and money launderers, and are often at the centre of low-grade conflicts that carry on for years.

A Communities and Small-scale Mining initiative has been funded by DFID since 2001, with a small secretariat based at the World Bank. But there is a major problem where donors are concerned. While there is no lack of interest in ASM by the governments of countries where it exists, they and others working in the area have had great difficulty in attracting donor interest.
Although ASM can be directly related to seven if not all eight MDGs, the word ‘mining’ seems to be a significant turnoff for the donor community.\textsuperscript{4}

**Humanitarian assistance\textsuperscript{5}**

Emergency humanitarian assistance is usually, by its very nature, ‘conflict sensitive’, but much of it is driven by non-humanitarian concerns: geopolitics, growing apprehensions about security, domestic considerations of donor countries, sometimes even commercial concerns. Far too often there are no provisions for the longer-term development assistance required to prevent a recurrence of hostilities. And donor ‘priority setting’ – a nice term for earmarking and cherry-picking – fosters unseemly competitive scrambles among executing agencies and leads directly to ineffective multilateral response and a weakening of humanitarian principles.

Predictable funding is a key element in all successful planning and implementation, not least in the humanitarian sector. Short donor time frames lead to unpredictability and therefore poor planning. The management of humanitarian assistance is exacerbated by a compartmentalization in donor agencies of funds and departments, reducing the possibility of funding for recovery and reconstruction, and for linking relief and development.

The most prominent characteristic of global humanitarianism as it is practiced today is its voluntary nature. Donor governments, like individuals, provide assistance – if they feel like it. There are no obligations beyond the moral, no consequences (for the givers) of doing less than enough, or of doing nothing. This is true of all foreign aid, but the negative consequences are more dramatic where life-saving is concerned. There is often more calculation than compassion, calculation that is too often narrow, inward and myopic. For the victims of calamity, there are no assurances of any kind, and many are condemned to live – if they are lucky – through what the world has come to call, euphemistically, ‘forgotten emergencies’.

At the centre of the humanitarian enterprise lies the UN, created to save and protect the world from the scourge of war. Despite the UN and its agencies, however, despite the Red Cross, which can sometimes act as an alternative or a complement, and despite the many forums for coordination and shared learning, each donor undertakes its own, often painstakingly slow analysis of a given emergency, each applies its own policies and strategies, and its own organizational and political imperatives. Each ‘earmarks’ its funding to emergency appeals – to UNICEF, for example, not UNHCR; UNHCR, not the World Food Programme; the Red Cross, not the UN. It goes on: Liberian refugees, not Guinean; Darfur, not Somalia; food not cash; women rather than men; children rather than adults. The multiplicity of actors, the overlapping and underlapping mandates, weak collaboration at the field level, and the competition for funds by front-line agencies all undercut the coordinating mandate and potential of the UN.
This earmarking, which is tantamount to a bilateralization of the UN, has to a large extent crippled the humanitarian role of the UN and it has robbed front-line delivery agencies of their principles, their independence and much of their efficiency. The results could be seen in the 18,000 Angolan refugees in the summer of 2003, living on half rations in the miserable refugee camps of Namibia. They could be seen at Ituri in the Congo, where people were buffeted back and forth between rebel armies for years with little or no humanitarian assistance. They could be seen in Haiti, where exit strategies were more important than lasting results and where ‘Operation Uphold Democracy’ faded with the headlines in the mid-1990s, setting the stage only for another international intervention a few years later.

With each major emergency there is a promise to learn from the confusion that inevitably occurs. ‘Next time will be different’ is a constant donor and practitioner refrain. Afghanistan was to be an example of that, but the scramble was no different from what had happened a dozen times before. The European Commission’s Humanitarian Aid Office (ECHO) says it will focus in the future on ‘forgotten emergencies’ (i.e. presumably it will stop forgetting). A 2003 donor meeting debates humanitarian definitions and principles but cannot ‘agree’ or ‘endorse’ them, settling finally on the word ‘elaborate’. It ‘elaborates a plan for good humanitarian donorship’. This ‘plan’, recognizing the problems of the late, short-term and unpredictable funding to front-line UN agencies, ‘strives to ensure predictability’ and says it will ‘explore the possibility of reducing, or enhancing the flexibility of, earmarking, and of introducing longer-term funding arrangements’ (Good Humanitarian Donorship, 2003).

The results the following year, 2004, were disappointing. Overall, UN emergency appeals received 64 per cent of what they requested. But some, as usual, did considerably better or worse than others. Angola received 96 per cent of what was requested. The Darfur appeal was 76 per cent subscribed, although in 2005, halfway through the year, it had received less than 30 per cent of the request. In 2004 there continued to be losers as well. Liberia received 59 per cent of the UN request, Côte d’Ivoire got 32 per cent, and – demonstrating clearly that emergency assistance is anything but independent, neutral and proportional to need – Zimbabwe received only 11 per cent of what was requested (OCHA, 2005).

Then a tsunami occurs, and almost everything anyone has ever said about coordination, proportionality and ‘remembering’ goes out the window as governments, agencies, politicians and rock stars clamber for the microphones. This ‘worst disaster of all time’ trumps everything else, including the Congo, where six times more people have died over the past five years as a result of that country’s on-going emergency.

There are several things that would contribute to a more conflict-sensitive emergency aid system, one that would focus more on those in need and downplay the ‘ad hocism’, egocentricity and the haphazard, take-it or leave-it approach that characterizes today’s humanitarian planning and activities.
The creation of a conceptual humanitarian centre

The experience of Sierra Leone, East Timor, Afghanistan and elsewhere shows that humanitarian principles of proportionality, independence and neutrality almost always take a back seat to the political and commercial concerns of donors. Efforts are too often focused narrowly on particular issues and on the short term, or they are distracted by clamorous events elsewhere. There is no lack of humanitarian definitions, policies, concepts and frameworks. The problem is the lack of an anchor, and of accountability for them among donors and implementing agencies.

There has to be a conceptual centre – not so much a physical entity as a catalytic function – where definitions and norms for humanitarian action are set and maintained. The UN is best suited for this role – as a ‘standard bearer’, as a ‘visionary leader’, as a place where a global humanitarian framework can be created and where assessments of response can be considered against future action. The UN should serve as the catalyst enabling the outcomes of global humanitarian assistance to become more than the sum of its parts.

Linking relief and development

There must be much better synergies between the humanitarian mandate and operations within donor agencies and those of their development counterparts. Investments in the transition from relief to development, and in post-emergency reconstruction efforts are very much an ad hoc affair. Each humanitarian agency winds down according to its own institutional imperatives, making whatever arrangements for follow-on activities it deems best, which in many cases means none at all. The longer-term factors that contributed to the crisis in the first place are often ignored completely.

If huge investments in humanitarian assistance are to bear fruit, it is essential that longer-term development issues be approached in a comprehensive manner during the emergency phase. Donors must develop common strategies to address relief and development issues concurrently, and to plan for the longer term. Different mandates within individual donor governments should not be allowed to interfere with transition planning and funding.

A strengthened multilateral core

At the centre of humanitarian action lie the multilateral ideal and its manifestation in the UN: the software and the hardware of combined efforts to achieve common objectives. And yet UN agencies are usually in competition for donor funding with each other, with NGOs, with commercial and political interests, and sometimes even the military. The major humanitarian challenge today, for the UN and for member governments, is to create a strengthened multilateral core that has the capacity, resources and mandate from its members to meet humanitarian needs in a more impartial and effective manner. Such a core would have to insulate the humanitarian mandate of the UN from the
current and individual political concerns of its member states. It would require the services of a strong, managerial but non-operational UN humanitarian agency that could assess needs, set priorities and allocate funds. Some aspects of this exist in the UN Office for the Coordination of Humanitarian Assistance (OCHA) and in the newly created UN Peacebuilding Commission, but they need a strong mandate to do more than ‘coordinate’; they must lead, and they must have the authority to lead. The humanitarian focal point must have access to significant amounts of humanitarian funding that is predictable, timely and non-earmarked. A substantial portion of this funding must be derived from assessed rather than voluntary contributions, like assessed contributions for UN peacekeeping operations.

To propose that even some of the contributions made by governments to humanitarian activities should be ‘assessed’ rather than ‘voluntary’ may seem unrealistic, even hare-brained, under current political circumstances. But reliance upon hundreds, if not thousands of inadequate, earmarked voluntary contributions from a score of donors throughout any given fiscal year makes as much sense as trying to run a fire brigade in a big city on nothing but voluntary contributions. The result is not a ‘system’; it is a self-serving, hit-or-miss charitable free-for-all.

A giant step in the right direction emerged from a UN General Assembly resolution in December 2005. It mandated the creation of a Central Emergency Response Fund (CERF), which will give the UN some of the core funding it needs in order to ensure predictability. The fund, set at $450 million in voluntary contributions, will allow for greater speed in humanitarian response; it will provide a much-needed degree of flexibility; and it will help to reduce the problem of earmarking. Much will depend on whether the fund is able to generate the voluntary contributions required, and whether it be managed in a way that encourages governments to renew pledges as the fund is drawn down. But the CERF is a major step forward.

**Greater realism about NGOs**

Much is made of the unseemly NGO scramble that seems to attend so many humanitarian emergencies. But NGOs are an extremely important part of the humanitarian response, and appearances can be misleading. An estimated 10–15 per cent of all humanitarian assistance is generated in the form of private donations to NGOs, churches and the Red Cross family – as much as $1.5 billion annually. On top of that, NGOs receive about one third of all bilateral contributions to the humanitarian effort in the form of grants and contracts. And they programme as much as half of what goes through the UN system. NGOs, therefore, programme as much as 60 per cent of all humanitarian assistance, or roughly $6 billion per year. And although it is true that there are hundreds of NGOs, it is safe to say that 75 per cent of their humanitarian spending is handled by fewer than 15 large transnational organizations.

The size, professionalism and importance of these major NGOs are not recognized, however, in the way monies are allocated, dispensed and reported.
Most donors moved to multi-year programme funding for the development work of these organizations two decades ago. But where emergencies are concerned, even the largest and most professional NGOs are kept on short donor leashes and are provided with woefully inadequate support.

Capacity building for local civil society in conflict prevention and emergency assistance needs to be taken much more seriously. It should become an automatic feature of donor funding in any emergency that extends beyond three months.

In protracted emergencies, donors and the UN must find ways to make longer-term allocations, even if they are notional and conditional. This would help implementing agencies to plan better, to find and retain good staff, to develop greater synergies between relief and development, and to become more professional in other ways.

**Better accountability**

UN agencies and NGOs have been much criticized for their failings where emergency assistance is concerned. Some of the criticism is deserved, but many of the failings of front-line agencies could be diminished if there were a more open and forthright approach to evaluation, learning and accountability.

In its standard application, evaluation contains a large element of control – and threat. Because of low donor tolerance for failure and because effective humanitarian action involves a high element of risk and innovation, accountability processes as currently applied can actually drive real lessons underground, especially the important lessons that might be derived from failure. The upshot is an approach to evaluation that is limited in scope, imagination, and the potential for learning. Useful lessons can be learned from the evaluation of difficult and risk-prone enterprises, even failed efforts, if punishment is not a likely outcome. This is not to suggest that wilful or repeated mistakes should be ignored but that mistakes are much less likely to be repeated if they are identified and addressed.

There should be a more holistic approach to evaluation that puts *learning* at centre stage. If this is done well, the accountability requirements of donors will also be satisfied, but as a by-product rather than as the only product. Evaluations should transcend one organization, one emergency and one donor. And the focus should be broadened from the delivery end of the chain to encompass the entire system, from design and supply to end result.

**More cash**

From a global vantage point, the humanitarian effort is underfunded by at least half, if not significantly more. The only individual emergencies that may have received adequate funding in recent years are East Timor and the Asian tsunami.

The question is not really whether more money is needed for humanitarian work, but where it will come from and how to prevent it from reducing development spending. Given how little most OECD member countries devote
to overseas development aid (ODA) as a whole, however, an increase in global aid spending, with at least a portion being devoted to the humanitarian effort, does not seem too much to ask.

**Conditionality and ownership**

It is generally conceded that ownership is a key to good development. The objects of the development enterprise must also be the subjects; they must feel that they are the ‘owners’ of policies and projects from change. This, of course, is not at all the way it works.

Despite the advent of sector-wide approaches, PRSPs and the Comprehensive Development Framework over the past 15 years, conditionality – often of the most ruthless and detailed variety – has been the order of the day. Donors design their own programmes and strategies often, if not usually, without reference to the objective needs and priorities of the recipient country. Plans are drawn up and programmes are executed by advisors, consulting firms, external suppliers and foreign NGOs, often with only rudimentary local consultation. Timetables, volumes and reporting requirements bear little resemblance to local needs and systems, and most vary from one donor to the next.

The most dramatic forms of conditionality have related to what is euphemistically known as ‘policy dialogue’ on economic reform. Joseph Stiglitz says that ‘Those who valued democratic processes saw how “conditionality” – the conditions that international lenders imposed in return for their assistance – undermined national sovereignty’ (Stiglitz, 2002, p7). The net effect of the policies set by the Washington Consensus ‘has all too often been to benefit the few at the expense of the many, the well-off at the expense of the poor. In many cases, commercial interests and values have superseded concern for the environment, democracy, human rights, and social justice’ (Stiglitz, 2002, p20).

Conditionality is probably one of the hardest things to handle well in a business that wants more than anything else to be a ‘partnership’, but where great amounts of cash have vanished without a trace, and without effect. UNDP has moved to ‘national execution’, and many donors now pointedly refer to their development effort as international ‘cooperation’ rather than as ‘aid’. Some are no doubt sincere in wanting joint ownership of projects and programmes. Money, however, means that partnerships and ownerships are inevitably lopsided, and when push comes to shove, the donor view will always prevail.

At the end of the day, the issue in the conditionality debate is not so much whether there should be conditions. Peter Uvin’s example of Rwanda at the outset of this chapter suggests that donors have more than a little responsibility for how their money will be spent. The issue is about how the conditions should be negotiated, and more importantly about how deep, how rigid and how formulaic they should be. Years ago the IMF insisted that the Jamaican government remove subsidies on petrol. The government, knowing what the
impact would be in several sectors, pleaded – to no avail – for reconsideration, more time, a phased approach. The result: taxi drivers overturned and burned cars in tourist areas, and Jamaica’s number one foreign exchange earner went into the toilet for three years.

Security: Whose protection?

Security from violence, according to a 2005 OECD publication, ‘is fundamental to people’s livelihoods and to sustainable economic, social and political development. Where violence breaks out, within or between countries, development is arrested. Security matters to the poor and other vulnerable groups, especially women and children, and has emerged as a vital concern for development, reducing poverty and achieving the Millennium Development Goals’ (OECD, 2005, p3).

Effective and accountable security systems can reduce the potential for conflict, and ‘security sector reform’, now added to the many items on today’s development agenda, is undoubtedly an important element in constructing a conflict-sensitive aid programme. Since the September 11 2001 terrorist attacks on New York and Washington, however, discussions about security have led to concerns about the diversion of long-term development aid and short-term relief assistance – not so much to the security of people in developing countries, but to the new anti-terrorist agenda of wealthy countries.

Until recently, security remained a background issue as far as the general aid establishment was concerned. The paradigm began to change with the 1999 North Atlantic Treaty Organization (NATO) intervention in Kosovo, which added the question of state sovereignty to more general issues of security. Not long afterwards, the government of Canada funded an international commission to examine the intervention–sovereignty conundrum. The commission’s December 2001 report, The Responsibility to Protect, defined sovereignty not on the basis of the prerogatives of the state, but on the state’s responsibility to protect its citizens.

It broke the responsibility to protect into three elements:

1. **The responsibility to prevent.** To address the root causes and the direct causes of internal crises that place people at risk.
2. **The responsibility to react.** To respond to conditions of compelling human need with appropriate measures, including sanctions, international prosecution and, in extreme cases, military intervention.
3. **The responsibility to rebuild.** To provide assistance in a post-conflict situation for recovery, reconstruction and reconciliation (International Commission on Intervention and State Sovereignty, 2001, pxi).

These are nice, uplifting ideas, but the slow, patchy response to the Darfur crisis demonstrates that there is still a long way to go in embracing human security and the responsibility to protect in any meaningful way. How the R2P concept – endorsed by the UN General Assembly in September 2005 – will
evolve is not yet clear, but the ground continues to shift under the issue of security.

One way of insulating the ODA budget from security sector incursions is the creation of special funds to deal with security sector reform and related issues. Britain created two such funds in 2001 – a Global Conflict Prevention Pool and an Africa Conflict Prevention Pool. The former is managed by the Foreign Office and the latter by DFID, but each has input from the other as well as the Ministry of Defence and Treasury. Funds have been used, for example, to support African peacekeeping missions in Sudan, Burundi, Côte d’Ivoire and Liberia. In Sierra Leone it has funded the creation of a national security policy, to restructure and train the armed forces, to provide a military advisory team and to carry out other reforms in the security sector. These are things that might or might not have been done in the past, but they would certainly not have involved DFID. Bringing a development aspect to security reform in a country where security problems have been the number one constraint to development over the past decade is important, and may help to make the interventions more sustainable. The cost, however, will only be charged to Britain’s ODA budget where it conforms to ODA definitions. A similar ‘Stability Fund’ has been created in The Netherlands, and Canada has recently created a Global Peace and Security Fund.

**MDGs and other false-bottom boats**

*It happened in Monterrey, and without thinking twice …*

*Mabel Wayne, King of Jazz, 1930*

Aid critics say that aid does not work, and judging from the broad numbers of people living in absolute poverty, it is not difficult to see why they might reach that conclusion. The criticism is usually unfair, however, and overly generalized when it is not. The most vociferous critics seldom differentiate between aid that vaccinates a boy or educates a girl, and aid that subsidizes helicopter and locomotive sales, or pays for the installation of high-end, rich-country technology in settings where it is guaranteed to fail.

When the aid critics become too shrill, World Bank economists set to work to show that if countries do a), b) and c), aid really does have a positive impact. Usually, however, economists think in terms of overall growth rates, rather than what happens to poor people, ignoring Herman Daly’s important dictum: ‘When something grows, it gets bigger. When something develops, it gets different.’

Donors, NGOs, academics and critics pore relentlessly through the ruins of past aid programmes, searching for ever more sophisticated ways of dealing with problems. New fads roll relentlessly over the aid business like waves on a beach, wiping out the sandcastles of yesterday’s big new idea: population control, integrated rural development, the basic human needs approach, growth-with-equity, the sectoral approach, structural adjustment, appropriate technology, women in development, gender and development, environmental
sustainability, political sustainability, social sustainability, micro-finance, civil society, capacity building, good governance, security sector reform and a dozen others that will no doubt in due course be consigned to the development dumpster.

In considering how to construct conflict-sensitive aid policies, it seems almost naive to return to the basic ODA goal of poverty reduction. But virtually all of the lessons about conflict suggest that poverty and exclusion are the most fertile breeding grounds for social violence and larger-scale conflict. Historically, ODA has focused its main efforts on economic growth, not in itself a bad thing but, alone, insufficient. As John Kenneth Galbraith said many years ago, the trickle-down theory is like feeding oats to a horse. If you feed it enough, some will find its way through to the road for the sparrows.

Some things, in fact, are growing. Development assistance, for example, is growing. In 2004 it reached an all-time high of $79 billion, a reversal of the fifteen-year downward trend. And in addition to the five countries that currently spend more than 0.7 per cent of national income on ODA (Denmark, Finland, Luxembourg, Norway and Sweden), six more have promised to do so by 2015. Most of the recent increase, however, has been used for debt relief and emergency assistance. Neither of these is a bad thing, but they do not create much in the way of new money for development, especially in the poorest countries where most debt repayment has stopped anyway. As a percentage of the overall gross national income (GNI) of rich countries, ODA – at a quarter of one per cent – remains significantly below 1990 levels, and significantly short of 0.7 per cent.

Donor countries give, but they also take away. Key exports from developing countries – clothing, agricultural products, textiles – remain subject to high tariffs in rich countries. And agricultural subsidies in rich countries not only give them an unfair trading advantage, they also seriously undercut the productivity of farmers in developing countries. It is estimated that free trade in farm products alone would be worth $20 billion to developing countries. The Doha Round of WTO trade negotiations that began in 2001 saw rich countries promising to reduce agricultural subsidies. Instead, they have done the opposite. Rich countries provide $1 billion a year in agricultural assistance to poor countries, but they spend $1 billion a day subsidizing over production at home (UNDP, 2005b, p10). The dismal effort to keep the Doha Round alive at the WTO Conference in Hong Kong in December 2005 managed little more than a half-hearted promise by rich countries to stop subsidizing their agricultural exports by 2013. Other subsidies and high tariffs against imports from developing countries remain untouched.

Other things are growing, and not in a good way. The number of people in Africa living on a dollar a day (or less) increased from 227 million in 1990, to 313 million in 2004. And lest we get lost in dollar-a-day numbers, it is worth noting that an estimated 2.5 billion people, more than half of those living in developing countries, survive on less than two dollars a day (UNDP, 2005b, p24).
We take heart, however, from positive changes in Asia, where absolute poverty ($1 a day) has declined from 936 million in 1990, to 703 million in 2004, a remarkable achievement resulting mainly from sustained growth in China and India. But Branko Milanovic, a lead economist with the World Bank, puts a different spin on the numbers. In what he calls a ‘downwardly mobile world’, Milanovic shows that globally, the gap between rich countries and poor countries is growing. For example in 1960 there were 41 rich countries, 19 of them non-Western. By 2000 there were 31 rich countries, only nine of them non-Western. And almost all of the non-Western middle-income countries had dropped to the ranks of the poor. In India and China, widely quoted average growth rates conceal huge levels of inequality between urban and rural populations (Milanovic, 2005).

Targets and pledges have been useful in the ODA business, not so much as goals that governments have any intention of reaching, but as ex post facto demonstrations that donor promises have an awfully hollow ring to them. The famous aid target of 0.7 per cent of GNI for donor countries has proven impossible for a dozen rich countries over the 35 years it has been out there, even through rich countries have, during that time, enjoyed some of the most accelerated growth periods in a century.

In 1978, senior government delegates meeting at a celebrated WHO-sponsored world health summit in Alma-Ata pledged ‘health for all by the year 2000’. It was not an idle or ill-considered target; the goal, relating almost exclusively to primary health care, was more achievable in that 22-year time frame than the current health-related targets of the 15-year MDGs. Needless to say, the ‘health for all’ slogan went out the window not long after donor representatives returned home. The development business, in fact, is littered with the empty promises of donor governments. Meeting at a United Nations Educational, Scientific and Cultural Organization (UNESCO) conference in Jomtien in 1990, governments solemnly pledged to provide ‘education for all’ at some unspecified future date. At the time there were 100 million children with no access to primary education. Today the number has risen to 115 million.

And now we have the MDGs, the most comprehensive set of development targets ever set down on paper. Time-bound and measurable, they have unprecedented political support and are – or at least were, in 2000 – believed to be achievable. But progress during the first five years was not good. ‘If current trends persist,’ says UN Secretary General Kofi Annan, ‘there is a risk that many of the poorest countries will not be able to meet many of them.’ Given the dismal findings in a 2005 UN progress report and in UNDP’s 2005 Human Development Report, this is something of an understatement (United Nations, 2005). The Secretary General goes on to say, ‘Let us be clear about the costs of missing this opportunity: millions of lives that could have been saved will be lost; many freedoms that could have been secured will be denied; and we shall inhabit a more dangerous and unstable world.’

Foreign ministers of developed countries issued a ‘statement of resolve’ under the banner of the Paris Declaration on Aid Effectiveness in March 2005, endorsing once again the MDGs. The 2005 G8 Summit was an occasion for
more promises. ‘We have agreed,’ the leaders said in their communiqué, ‘to
double aid for Africa by 2010. Aid for all developing countries will increase,
according to the OECD, by around $50 billion per year by 2010, of which at
least $25 billion extra per year [will be] for Africa’ (G8 Gleneagles, 2005).
According to the OECD? With the leaders of several of the wealthiest donor
countries shying away from clear financial commitments of any kind, it is not
hard to see why they would rely on the OECD for a statistic rather than the
calculators all of them undoubtedly took with them to the meeting.

In fact it was all the leaders of the assembled United Nations could do
at their World Summit in September 2005 to avoid having the US throw the
MDGs right out of the window. Hama Amadou, the Prime Minister of Niger,
told the BBC afterwards, ‘A few years ago, developed countries made some
promises; but since then, very few concrete actions were implemented.’ Bob
Geldof said, less diplomatically, that the tepid result of the meeting was ‘bloody
outrageous’ (BBC, 2005). There must have been a hollow ring to the applause
that followed General Assembly President Jan Eliasson’s adoption of the final
General Assembly document, which, he said, ‘re-affirms our commitment to
achieving the Millennium Goals by the year 2015’.

Conclusions

This chapter has examined several aspects of the development assistance
enterprise and how it might become more sensitive to the prevention of
conflict. This is an important issue, because conflict takes lives and destroys
investments in long-term development. It is important because the levels of
conflict over the past decade rose dramatically. Between 1994 and 2003, an
estimated 13 million people died in large-scale conflicts, 12 million of them
in Africa, western Asia and southern Asia. In 2003 there were an estimated
37 million refugees and internally displaced people, but this number includes
only those covered by the United Nations High Commissioner for Refugees
(UNHCR), whose mandate with regard to the displaced is limited.

This deadly time may be a temporary shaking-out; a settling of old scores
in the post-Cold War world. The situation may even be improving.8 But there
is no guarantee that it will end any time soon, or that it will confine itself, as
it once did, to the increasingly artificial borders of what used to be called the
‘Third World’. The effects of poverty, state collapse and conflict have leached
dramatically into the wider world in the form of pollution, illegal refugees,
terrorism and disease.

Many books have been written about development assistance over the
past 40 years. One of the most instructive is the 1969 Pearson Commission
Report, because it outlined most of the challenges that still confront the post-
millennium world. Had donors and recipients done half of what the report
recommended – on aid levels, on debt relief,9 on trade liberalization, on tied
aid, in health, education and infrastructure – the development challenges of
today would be a lot less severe.
The most important books on development assistance are those that caution policy makers and practitioners against hubris, stressing the need for adaptive learning. There are not many of these. In the late 1960s, William and Elizabeth Paddock, American academics who had worked for 10 years in Central America, set off on a journey to find and document aid projects that worked. They didn’t find very many, but they wrote about what they learned in *We Don’t Know How: An Independent Audit of What They Call Success in Foreign Assistance*, published in 1973. This was not an attack on foreign aid, it was a critique of the way aid was being applied, and of the way experience was being institutionalized. The Paddocks said they learned two things in the course of their research. ‘First, development professionals do not know how to carry out an effective economic development program, either a big one or a small one. No one knows how – not the US government, not the Rockefeller Foundation, not the international banks and agencies, not the missionaries. I don’t know how. You don’t know how. No one knows how.’ Second, and more to the point, ‘We don’t *know* that we don’t know how.’ Overconfidence, cultural and geographic distance, arrogance and impatience all contribute to the problem (Paddock, 1973, p300).

Ten years later, Robert Chambers published *Rural Development: Putting the Last First*. Chambers noted the same constraints to knowing as the Paddocks, but much of his book is about *how* to learn – how to listen and how to apply knowledge. It is about making choices, and not trying to do everything. ‘It is not the practice of (successful) generals,’ he writes, ‘to attack on all fronts, because they cannot say that one is more important than the other.’ The second failure of analysis, according to Chambers, ‘is the ritual call for integration and coordination, and even maximum integration and maximum coordination. These words,’ he says, ‘slip glibly off the tongues of practiced non-thinkers.’

In *Rural Development* and other books, Chambers writes about working directly with poor people. Dennis Rondinelli wrote in 1993 about the accumulation and application of knowledge to higher levels of development administration. In *Development Projects as Policy Experiments*, he says that the development experience of half a century has led to three fundamental discoveries: first, conventional theories of development based mainly on the acceleration of growth have not achieved their purpose; second, sustainable benefits for poor people have been disappointing; and third, as development strategies become more complex, their success becomes less certain. The upshot is a major dilemma for development administration: ‘Planners and managers, working in bureaucracies that seek to control rather than to facilitate development, must cope with increasing uncertainty and complexity; but their methods and procedures inhibit the kinds of analysis and planning that are most appropriate for dealing with the development of problems effectively’ (Rondinelli, 1993, p3).

Rondinelli’s thesis is that aid managers cannot acknowledge that they ‘don’t know how’. Overwhelmed by a technocratic mindset, an extremely low tolerance for failure and a rush to the Next Big Thing, they front-load all of the available brainpower into the planning for a project, creating rigid
structures that are almost incapable of adaptation as the project gets underway. Rondinelli says that if we knew how to undertake effective poverty reduction, we would certainly have had a lot more success by now. This is not a reason for despair, however. All projects, he says, are experiments. If they are seen that way, they can contribute to an adaptive, learning approach to development, as opposed to the rigidities that are so common. Writing about the world of business, Henry Mintzberg makes the same point in *The Rise and Fall of Strategic Planning*: ‘We have no evidence that any of the strategic planning systems – no matter how elaborate, or how famous – succeeded in capturing (let alone improving on) the messy informal processes by which strategies really do get developed’ (Mintzberg, 1994, p296). Successful strategies cannot be handed over on a silver platter; they are most likely to be emergent, and they must be adaptive. And where conflict-sensitive aid is concerned, they may have to be entrepreneurial, taking advantage of good opportunities that arise on short notice.

All this is by way of reiterating some of the points made throughout this chapter about conflict-sensitive aid. These are mostly generic points about development assistance, rather than issues immediately related to conflict prevention:

- One size does not fit all.
- Over-high expectations and rigid battle plans will result in disappointment.
- Slavish loyalty to precast logical frameworks and results-based planning almost guarantees failure.
- But failure – honest failure – can be as important as success if it teaches lessons. The problem in a failure-intolerant business, where lack of success is usually met with punishment and the cancellation of funding, is that failure is driven underground. Evaluation becomes ritualistic, flaws are hidden, success is exaggerated. And so there is an inherent failure to learn from failure.
- Understanding local cultures, histories and pathologies – which takes time and the combined ability of listening and remembering – is essential to any kind of success.
- The long tradition of overloading the ODA agenda with short-term political and commercial considerations, and now with an impulsive security agenda, has only deflected it from its stated long-term primary objective. The much-advertised poverty reduction goal has been treated for the past 40 years only as a possible, even casual, by-product of initiatives aimed largely at fostering growth, rather than as the goal itself.

Poverty could perhaps be ignored with greater impunity during the Cold War, when the great powers could be counted upon by badly governed, poverty-ridden states for assistance with money, advice, weapons and even troops to put down rebellion. Donors could be counted on to turn a selective, if not a blind, eye to repression and human rights abuse. Poverty could be more easily
ignored when the only real form of international communication for the poor was the transistor radio, when there were no cell phones, no television, no internet, no apparent allies for those living in isolated pockets of discontent. But the idea of a better life can no longer be hidden so easily from the poor. Poverty, even where it is on the decline, is the most dangerous social problem of our time, and it is also the greatest threat to peace and the longer-run well-being of all.

This is not a new lesson; Pearson said it in 1969, Kofi Annan’s High-Level Panel on Threats, Challenges and Change said it in 2004. But the message is becoming much more urgent. And four decades of ineffectual development assistance suggest that there is still not nearly enough serious willpower or money to deal with it.

**Notes**

1 For more on NEPAD, see www.nepad.org/2005/files/inbrief.php.
2 For a discussion about local perceptions, see Donini et al (2005).
3 Information on the CASM initiative can be found at www.casmsite.org/about.html.
5 This section has been adapted from Chapter 10 of Smillie and Minear (2004).
6 See, for example, Collier and Dollar (1998).
7 Daly has used this line to good effect several times. See, for example, Daly and Townsend (1993), p267.
8 The 2005 *Human Security Report* says that this is changing, that the number of armed conflicts around the world has declined by more than 40 per cent since the early 1990s and the number of refugees dropped by 45 per cent between 1992 and 2003. It also reports that there are 300,000 child soldiers serving around the world today, and then says ‘not one of these claims is based on reliable data’ (Human Security Centre, 2005, pp1–2).
9 A landmark agreement to forgive more than $40 billion in debt for the world’s poorest countries, mostly in Africa, was reached by the IMF in September 2005. This was the result of 10 years of negotiation, during which time the governments of some heavily indebted poor countries (HIPC) ceased to exist in all but name. Benin’s finance minister, Cosme Sehlin, welcomed the agreement, but said, ‘The devil is clearly in the implementation details.’

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