

-Aiding, Trading or Abetting? - Trade and aid in an insecure world

By Oli Brown

Canada can be proud of its leading role in persuading international leaders to endorse the emerging international norm of “the responsibility to protect” last September. For the first time, the international community has clearly recognized that national sovereignty is conditional on the willingness and capacity of governments to protect their own populations from genocide, war crimes, ethnic cleansing and crimes against humanity.

The international community has also acknowledged its responsibility to take timely and decisive action through the Security Council when peaceful means are inadequate and national authorities are unwilling or unable to protect their own populations.

The Human Security Report, launched last October, documents a steady decline in the number of international and sub-national conflicts since 1991, in large part due to more effective international activism and cooperative peacebuilding. This is encouraging news.

But we can't be complacent—there are still around two dozen major conflicts in the world today. The situation in Sri Lanka is deteriorating once more. There was a coup attempt in Chad just last month. The Democratic Republic of Congo could sink back into open warfare at any time. Ethnic cleansing, genocide, torture and crimes against humanity are still very much a feature of our world.

The idea of a “responsibility to protect” has come a long way. But I'd suggest that we need to take the idea even further. Rather than focusing all our attention on the reactive response to conflict, we also need to consider more carefully how current policies can systematically undermine peace and stability.

Trade and aid are two of the principal ways the developed world interacts with the developing world. The direction and priorities of trade and aid policies, largely decided by the rich countries of the North, have profound impacts on the societies, economies and stability of the poorer countries in the South.

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In theory at least, if trade and aid policies are carefully designed and implemented, they should encourage peace and security between and within countries. Trade can establish incentives for peace by building



a sense of interdependence and community. Trade can also be a powerful driver of economic growth and stability: reducing poverty, providing non-military means to resolve disputes and creating strong economic incentives for peace. There's some truth in the old saying that countries that trade tend not to fight.

Likewise aid can help to remove the underlying causes of conflict by reducing inequalities, tackling poverty, providing basic services and promoting sustainable livelihoods. Aid can also help to improve domestic governance and help countries bounce back from economic shocks.

However, it is increasingly clear that international trade does not automatically reinforce stability or security. Nor is aid, as currently constructed, successfully achieving its aim of poverty alleviation.

The reality is that badly designed trade and aid policies are too often increasing the likelihood and longevity of violent conflict.

In practice, the rules that govern international trade are fundamentally unfair; biased towards rich countries and their corporations. Current trade policy in OECD countries denies vital market access to the developing world's products, particularly their agricultural goods. Escalating tariffs, complex regulations and perverse domestic subsidies in the developed world continue to inhibit the efforts of developing countries to diversify their economies.

At the same time, developing countries are being pushed to adopt uncompromising market liberalization, which can reduce government revenues and undermine employment, increasing the prospects for political instability and competition over scarce resources.

In essence, the poorly designed and unfair trade policies of the developed world inhibit economic growth in the developing world, and leave countries locked into commodity markets notorious for the volatility of their prices. A reliance on the export of natural resources tends to lead to weaker institutions, economic dependence and political instability. Coupled with poorly-governed international markets for natural resources, this has proved to be explosive time and again around the world.

Similarly, foreign aid has not always been an entirely positive force. Critics of development assistance have long argued 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.

That is not to say "aid does not work." Revolutionary achievements in education, health, and agriculture — patchy and isolated as some have been—demonstrate that aid can be hugely effective. The problem is that aid has been used by donors and recipients for purposes that were either not intended, or were not explained to their citizens.

Aid has been misused by donors more interested in pursuing geo-strategic goals than poverty reduction. It has also been misused by recipients—appropriated by armed groups, diverted in corruption or used to perpetuate repressive regimes.

Clearly trade and aid policies are not the sole sources of violent conflict: identity, ideology and history are all important factors. The point is simply that peacebuilding is not just about sending in battalions of peacekeeping troops in blue helmets.

Peacebuilding should be about tackling the underlying causes of conflict. We need to go beyond the "responsibility to protect." The international community also has a "responsibility to prevent" the outbreak of conflict. The extent to which the international community is helping to promote stability and avoid armed conflict is crucially dependent on the structural conditions established by its trade and aid policies. If we're serious about reducing armed conflict around the world we must first—and at the very least—ensure that our trade and aid policies "do no harm."

In essence trade, aid and security are all mutually reliant: if aid policy is going to be effective at lifting people out of poverty it must create and be conducted in a secure environment free from the existence or threat of violent conflict. Aid should also help countries and communities access the very real benefits of fair international trade. And countries will only be able to benefit from international trade if they have the capacity to negotiate fair trade agreements and engage in trade in a secure environment.

So if we are to make sure that trade and aid policies support rather than undermine peace and security, I'd suggest the international community needs to focus its attention on six areas:

- The first is how we can make our trade policy more conflict sensitive. This is really about designing trade policies that help countries adjust to liberalization, benefit from it and move away from dependence on the export of one or two unpredictable commodities.
- The second is how we can make our aid policy more conflict-sensitive? This requires dealing much more urgently with the problems of inequality, racism and structural violence. Donors must also be more aware of the relationship between their development assistance and the economic agendas involved in conflict.
- The third area is how trade and aid policies can be used to promote good governance. The aim has to be to generate constructive influence in fragile states. Unfortunately, to date, many governance interventions have proven neither constructive nor influential. Donors need to be clear on the changes they are trying to promote, the context in which they are promoting them and some of the pitfalls of trying to push reform on unwilling recipients.
- The fourth is how we can restrict the trade in conflict resources more effectively. This is not only about disrupting the ability of the exploiters of conflict resources to access international markets, but also about building markets for "conflict-free" resources.
- The fifth is how we can encourage businesses operating in fragile states to be more conflict-sensitive. This means changing corporate cultures and the broader incentive structures in which they work.
- The final area that the international community needs to focus on is how countries can better manage the revenues they receive from natural resources and aid. This is about increasing transparency, accountability and putting in place the institutions and policies that can ensure that external revenues, be they from natural resources or foreign aid, are better spent.

The international norm of the "responsibility to protect" has come a long way in a short time. Just a few years ago the suggestion that nearly all the world's

governments would sign up to a declaration that could undermine their own sovereignty was seen as laughably unrealistic. The fact that it has emerged on the international scene is a sign of fresh momentum, however limited, towards more effective international peacebuilding.

Our next steps must be proactive. We have an opportunity to carry forward this momentum and reform the elements of trade and aid policy that undermine peace and stability around the world. That would be a tremendous contribution to human security.

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