

E-Discussion on Economic Revitalization and Peacebuilding

Summary

Peacebuilding Support Office and UN Development Program

This e-Consultation was cross-posted on the PB-CoP and CPRP-Net.

Dear Colleagues,

Please find below the summary of a joint e-Consultation on “*Economic Revitalization and Peacebuilding in a Post-Conflict Scenario*” by the UN Development Programme and the Peacebuilding Support Office that was active from 26 October to 19 November 2010. A total of 23 responses were received, representing staff in five UN system entities. We would like to thank all contributors and others who followed the discussion.

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Summary:

I. Programmatic Approaches:

1. Peacebuilding impact of economic revitalization
2. Programme design
3. Infrastructure
4. Employment, vocational training and reintegration
5. Land and natural resources
6. The private sector and markets

II. Institutional Capacities:

7. Local ownership

III. Equity in access to resources:

8. Gender

IV. Policy environment:

9. Local policy environment

1. The possible impact of economic revitalization on peacebuilding

Economic revitalization and its various sub-sectors (employment, infrastructure, etc) can play an important role in consolidating peace and preventing hostilities. The responses to the e-Consultation identified the following ways in which economic revitalization can have an impact in peacebuilding:

- **Social cohesion and reconciliation:** Collaboration to achieve economic objectives can build trust and change attitudes. Depending on the context, cooperation can create trust between communities and ethnic groups and between conflict-affected groups and other parts of society (e.g. reintegration of former members of armed groups). The case of Cyprus also shows that support for cross-border economic activities can be used as a vehicle for peacebuilding across borders.
- **Peace dividends:** Creation of jobs and improvement of basic services, transport infrastructure or government services can all play a role in providing the population with 'peace dividends'.
- **Eliminating sources of resource conflict:** Appropriate resource development interventions can mitigate conflicts driven by competition over scarce natural resources, such as land, water, access to valuable minerals or other natural resources (e.g. lumber, hunting grounds, etc). Here, the key is to simultaneously develop mechanisms for resource sharing and income generation in the resource sector.

However, it is important to note that lack of understanding the conflict causes and dynamics or inadequate attention to the knowledge and views of local actors can also have adverse effects on stability. For example, projects with a primarily economic focus can inadvertently exacerbate resource competition, perceptions of injustice and contribute to further tensions amongst groups. One method for managing these dynamics can be to establish dialogue processes and mechanisms between communities, the government and economic actors, to identify and address potential and existing sources of tension. In this context, it is important that economic revitalisation is done based on a thorough understanding of the conflict dynamics, drivers and actors (through, for example, a conflict analysis).

2. Programme design: balancing short- and long-term strategies

The transition from a humanitarian context to a development and peacebuilding context was identified as a persistent challenge. In humanitarian settings many services are delivered and substituted by international actors. However, once the immediate crisis is over, the discussion participants recommended that the UN shifts to developing local capacities, markets and institutions rather than continuing to provide basic services. Short-term gains can be undermined by failure of successor activities.

Several useful practices were identified to address the transition challenge:

- **Overlapping programmes:** One way to approach the transition challenge is to allow short-term and long-term projects to overlap. For example, in Georgia vocational training was provided as a short immediate impact programme, as well as a full-fledged training programme in partnership with a local university.
- **Building on early successes:** Humanitarian responses and peacebuilding in immediate post-conflict contexts often require quick impact projects that provide immediate peace dividends or life-saving aid. Programmes that build on such 'quick wins' have a greater chance for making a lasting impact on economic revitalization.

- **Planning:** Planning for post-conflict programming should start early, possibly even during the active conflict so that critical needs can be met as soon as the conflict ends and longer term recovery initiative can start as early as possible.
- **Scalability:** It is important to 'think big' and to this end public works programmes can make an important impact because it is possible to implement them on a large scale. The key to any large scale project is supervision, planning and oversight.

Furthermore, field managers and staff working in peacebuilding contexts have to have greater risk-tolerance than in more stable development contexts, backed up by their organizations and with the appropriate rules and regulations behind them. Projects require fast implementation and responsiveness to the changing local situation. Integrating programmes of different UN system actors can generate a more efficient approach to economic revitalization and peacebuilding, but this requires flexibility, openness and risk-tolerance.

3. Rehabilitation of infrastructure

Like the policy environment, physical infrastructure is another cross-cutting factor that influences many aspects of economic revitalization. Post-conflict countries frequently have damaged or non-existent infrastructure in key areas such as transport, energy or communications. Several contributions identified the rehabilitation of infrastructure as a driver for further economic recovery and peacebuilding:

- The case of Liberia highlights the potential of improved road infrastructure to achieve several peacebuilding objectives: better roads allow increased movement of goods and people as well as short-term road construction work for the local population.
- In Nepal the improvement of a road linked remote areas to markets and enabled increased trade in agricultural produce.
- In Uganda long-running communal tensions over land and water were mitigated by the construction of a water dam.
- Rehabilitation of service infrastructure, such as schools and hospitals, can create immediate peace dividends for the population.

It was further noted that infrastructure projects require investment in the human 'software' to enable maximum gains (for example, road monitoring and maintenance arrangements to ensure that rehabilitated roads remain in good condition). Creation of 'use of infrastructure agreements' between local governments and communities was identified as a useful method to achieve this goal. It was also identified that rebuilding infrastructure through public works projects is largely a stop-gap short-term employment generating measure. For such initiatives to yield longer term economic dividends, these public works infrastructure projects should offer training and business development opportunities to participants.

4. Employment and vocational training

Employment generation has many potential benefits for peacebuilding, such as the creation of livelihood opportunities outside of war economies and reintegration of conflict-affected groups (former combatants, refugees and IDPs) to mainstream society. In addition, employment can reduce social unrest among marginalised groups or the youth as well as reduce reliance on crime as a source of income.

The UN frequently establishes vocational training programmes as a means towards employment generation. Several contributors noted that such training programmes only work if they correspond to local labour market conditions and meet the labour needs of the markets and the

private sector. One way of ensuring a link between training and employment is to involve the private sector in curriculum development and link participants to the informal and formal market place through apprenticeships.

Short-term employment programmes, such as 'cash for food' projects, can be an important means of supporting livelihoods in the immediate aftermath of conflict. Hiring of members of local communities for infrastructure projects was cited as good practice. It was also suggested that such short-term labour projects could be managed by the private sector and combined with skills training.

In the medium- to long-term employment activities should promote the creation of sustainable jobs rather than work programmes that rely on external funding. Labour market analysis and development of a coherent national economic strategy are essential in the creation of sustainable employment. Indeed, ultimately economic revitalization depends on macro-economic policies and large scale investments in areas of growth, as opposed to smaller scale, externally funded projects and programmes.

The '3 x 6 approach', discussed in the context of Burundi, may be of wider interest for practitioners. The approach is aimed at the reintegration of conflict-affected groups and it is based on the three principles of inclusiveness, ownership and sustainability. Firstly, inclusion of ex-combatants in the implementation of microprojects can restore trust on the community level. Secondly, local ownership is achieved through the encouragement of associations that pool savings for economic reintegration projects. Finally, sustainability will involve continued support to successful associations.

5. Land and natural resource management

Land tenure was identified as a source of potential tensions; the issue is closely linked to rule of law and ambiguous or changing land ownership structures. The facilitation of 'land use agreements' was identified as a way to solve land tenure disputes and ensure commonly accepted standards on the use of land and investments.

Land tenure systems and land rights management strongly impact the agricultural sector. The agricultural sector was identified as a key area of growth for most post-conflict countries where the majority of the population lives in rural areas and depends on small scale agriculture for their livelihood. Ensuring secure rights to land, especially for youth and women, is a pre-requisite for increased agricultural productivity. Despite the potential of the agricultural sector to revitalize the economy, there is under-investment in projects in rural areas.

In Liberia a dispute between a government forestry agency and a local community had escalated to low-level violence. A one-year project to promote community-based natural resource management and alternative livelihoods was successful in mitigating the conflict and engendering cooperation between the community members and the government agency.

6. Private sector and dynamic markets

The private sector and markets were frequently described as crucial for the success of medium- and long-term economic revitalization. However, the UN is not always successful in connecting short-term economic revitalization to the needs and dynamics of the private sector. Possible improvements were suggested by several contributors:

- Linking of 'cash for work / food for work' programmes to private sector labour needs.
- Creation of apprenticeship programmes for conflict-affected groups (e.g. ex-combatants) with local companies.

- A youth employment project in the Niger Delta region, conducted in partnership with Shell, suggests that Corporate Social Responsibility programmes can play a useful role in peacebuilding.

The case of northern Uganda provides an example of the adverse effects of an unstable security situation for private sector investment. The negative effects can be further exacerbated if the national or local government does not have an overarching strategy for improving business conditions. Progressive identification and removal of barriers for business would increase private sector confidence and therefore aid economic revitalization.

Another contribution from Uganda demonstrated how food aid has been used to stimulate economic activity. By establishing a food warehouse and processing system, improving roads and communications and supporting local farmers, the programme has managed to stimulate economic growth and emergence of a market for agricultural products.

7. Local ownership is key

Promoting local ownership of economic revitalization efforts was identified as an important factor for success and sustainability. Community-based or area-based approaches can increase local ownership, provided that the local population is adequately involved in the different phases of the programme. Early involvement of local actors also ensures that programmes avoid exacerbating any localised sources of conflict.

Closely related to ownership, local knowledge was also identified as a factor for success. Early involvement of local populations can help in identifying the best opportunities for making a lasting impact, for example through gaining locally relevant 'market information' on the types of economic activities that should be supported. Especially in the case of marginalised groups, conflict-affected populations or women, the involvement of the beneficiaries was identified as crucial for successful programme design. To this end, it is important to recognize that communities are made up of a variety of different groups and not all have an equal voice in the community. Care must be taken to solicit input from under-represented groups including youth and women.

As in other peacebuilding sectors, the lack of local capacities can be an obstacle to strong local ownership. Therefore efforts to build the technical and management capacities of local actors, such as government services or small contractors, can be a way to increasing local ownership. Examples of typical capacity-development needs in public institutions include the following:

- Collection and monitoring of basic economic information.
- Tax and customs administration.
- Payments and revenue collection.
- Handling of property and contract disputes, including customary law.
- Microfinance institutions.

8. Ensuring Gender equality

War and conflict often transform gender roles and men and women take on new roles in a conflict environment. In a post-conflict setting, gender relations are often characterised by high level of violence and a breakdown of traditional protection norms within communities. Women face special obstacles in many post-conflict situations and economic revitalization programming should take into account the particular constraints and opportunities facing women. Women may face severe limitations in access to credit and property/land rights which inhibits their participation in the economy. Many post-conflict or fragile situations also include increased levels of sexual or

gender-based violence, which can prevent women from travelling outside of the home to participate in economic activities or training programmes. At the same time, both women and men, especially young and unmarried are affected by post-war violence. Ensuring peace-dividends through economic revitalisation includes to design programmes that also give attention to men and masculinity issues, including rape and Gender based violence.

Women's greater involvement in the economy can yield significant development and peace dividends since women have a tendency to invest their earnings in the social and economic needs of their family and communities. Empowering women economically is not possible without legal empowerment to ensure that female employees and entrepreneurs receive equal treatment.

Successful employment generation programmes can help to break social barriers to women's involvement in the labour force. For example, in Sudan's Darfur region a vocational training programme for IDP women has resulted in changing attitudes towards women.

9. Local policy environment and rule of law

Post-conflict economic revitalization efforts by international and national actors are fundamentally shaped by the prevailing policy environment. In many post-conflict scenarios the lack of national capacity to issue and implement labour laws, employment strategies and other economic policies is a major limiting factor. The UN and other international actors do not always prioritise issues of economic policy in the immediate post-conflict situations, hindering efforts for economic revitalization and peace dividends at later stages.

In many cases the improvement of institutional capacity involves technical assistance to governance institutions. Some streamlining of the actors involved in economic policy may be necessary, as well as ensuring that key actors are adequately resourced to carry out their functions. Capacity-development may be useful at the local level as well, for example in contexts where successful efforts require the collaboration of traditional community leaders or where the reach of national policies and laws is limited at the community-level.

Furthermore, economic policy and rule of law are closely related. Advancing rule of law has beneficial effects for economic revitalization, for example by ensuring compliance with commercial and contract law or by providing a method for solving land tenure disputes. In post-conflict societies informal justice systems can also be important for the regulation of economic activities, especially in contexts where the informal economy is dominant.
