Chapter 2. Fragility: drivers and consequences

Definitions of fragility and fragile states in the literature are diverse and cover a wide range of countries and conceptual territory, as Chapter 1 briefly recalled. Overall, most definitions suggest that state fragility is directly related to lack of institutional capacities. There is some consensus that fragile countries have governments characterized by authority, service entitlements and legitimacy failures (see for instance Stewart et al. 2009; Brinkerhoff, 2007). The concept of “fragility” is is "broad", in the sense that it groups together countries that are difficult to compare (Faria and Magalhaes-Ferreira, 2007). Furthermore, country classifications are not fully coincident not only because they refer to different underlying definitions, but also because they are based on alternative multidimensional indicators with ambiguous and largely arbitrary thresholds that are used to label a country as fragile. Most definitions classify fragility according to a scale of values ranging from weak/strong fragility on the one side to state failure and state collapse on the other (Faria and Magalhaes-Ferreira, 2007) A common methodology – illustrated in Figure 1 - classifies countries according to two-dimensions: capacity and political will.

**Figure 1. State Categories**

<table>
<thead>
<tr>
<th>Willingness</th>
<th>Weak</th>
<th>Strong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weak</td>
<td>At risk or failed</td>
<td>Weak but willing</td>
</tr>
<tr>
<td>Strong</td>
<td>Strong but unresponsive</td>
<td>Good performer</td>
</tr>
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Except for the good performers, who “retain the capacity and the political will to sustain a development partnership with the international community” (DFID, 2005), the other three types are considered to be “fragile states”.

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Although there are variations regarding which characteristics contribute more to fragility, there is a broad consensus on some of the most relevant factors. Brinkerhoff (2007) and Vallings and Moreno-Torres (2005) point out that root causes of fragility include: past armed conflict, poor governance and political instability, militarization, ethnically and socially heterogeneous and polarized population, weak or declining economic performance, demographic stress, low levels of human development, environmental stress, and “bad neighbourhoods” factors. Vallings and Moreno-Torres (2005), however, conclude that weak institutions are the central driver of state fragility. Countries whose political systems are in some form of transition or have weak democratic instances are at much higher risk of state failure and fragility (Goldstone et al., 2004).

Economic development has a significant impact on fragility, though less relevant than the strength of a country’s institutions. A lack of economic growth, however, could imply that institution building is more difficult to reach. Poverty, on the other hand, is recognized as a triggering factor of state failure and conflicts (Faria and Magalhaes-Ferreira, 2007). Other factors, including natural resources endowments and ethnicity, do not necessarily cause a situation of fragility but, as Vallings and Moreno-Torres (2005) suggest, the political manipulation of these factors can impact on state stability, with, once more, states with weak institutions having the higher chance to fail.

The circular nature of the various fragility factors is an important feature widely recognized by the literature and at the heart of the so-called “fragility trap” concept. Drivers of fragility are often self and mutually-reinforcing. For instance, corruption and poor public governance reduce state political legitimacy, the lack of which may in turn favor insurgency. Ethnic conflicts create insecurity and internally displaced populations, and disrupt economic activity. In turn, weak economic growth leads to little state resources to provide public goods and build up efficient administrative structures. Violent conflict is naturally an ultimate manifestation of state fragility. However, causality runs in both directions, as conflict is not just an outcome of fragility, but also represents a driving factor of fragility itself.

Regional and international drivers of fragility are also important. For instance, in Chapter 1 we recalled that once a country becomes a LICUS, a neighbouring country will lose 2 percent of its annual growth rate. In addition, fragile countries are more
vulnerable to external shocks and vulnerability, in turn, can have detrimental effects on fragility (Guillamount, 2008). Shocks in terms of trade, can be destabilising; export concentration associated to quick and unanticipated relative prices variations can have consequences further away; regional migration, and conflict-induced population displacements produce significant spillovers and externalities in terms of resource allocations, health problems and social frictions in neighbouring countries.

Finally, the external environment plays a role in the determination of the fragility parameters of a country. Donors and other external actors, including multinational corporations, contribute to the political economy forces of a given state and may have impacts on fragility and poverty. For instance, several authors have noted how the international system may have perverse effects on state fragility. As pointed out in Chapter 1, there is increasing evidence that insufficient - and too volatile - aid has been provided to fragile states and that it has been largely targeted in ineffective ways (McGillivray, 2005; Levin and Dollar, 2005). Chauvet and Collier (2004) highlight the destabilising impact that aid dependence and unreliable funding streams can have. When aid is suddenly withdrawn by donors, heavy aid dependence leads countries to severe cuts in service provisions, contributing therefore to increased fragility. Beside predictability, another important issue relates to the design of donors’ interventions to suit local needs with institutional processes relying on local capacity, rather than imposed from outside (i.e. the issue of ownership).

Features of the current international trade system – in particular market access and the protection of developed countries – may also impede economic growth for poor countries. As already mentioned, economic growth is not the only prerequisite for escaping fragility, but it can play an important role in strengthening a state’s institutions. While trade liberalization in the North has proceeded substantially over the past thirty years, trade restrictions remain significant for agriculture and labour-intensive industrial products, in which poor countries can have a comparative advantage. Recent estimates from the IMF and World Bank suggest that the gains to developing countries from eliminating all barriers to merchandise trade would be about more than twice the annual flow of aid to these countries. Trade restrictions reduce people’s capacity to diversify away from their main source of income which
often tends to be natural resources controlled by narrow elites. This in turn tends to reinforce their power and vested interest in maintaining the status quo.

**Causes of fragility – armed conflicts**

As noted above, fragility is often connected to conflict, and it is therefore unsurprising that the so called *Copenhagen Consensus* identified instability, and conflict, as one of the ten key priorities for the development community. The panel of experts who gathered in Copenhagen in May 2004 suggested that “measures to reduce the number, duration or severity of civil war would stand very high in the ranking of priorities for development, if they could be expected with any confidence to succeed”. Needless to say, the chances of success of any effort to reduce the severity of armed conflicts or to prevent their outbreak impinge on a proper understanding of their root causes and of their triggering factors. Even though there is little solid-grounded agreement around this key issue, income differences have received considerable attention.

The report on *Investing in Development - Practical Plans to Achieve the Millennium Development Goals* published by the UN Millennium Project in 2005 argues that “poor and hungry societies are much more likely than high-income societies to fall into conflict over scarce vital resources, such as watering holes and arable land [...] poverty increases the risks of conflict through multiple paths”. This understanding of the root causes of conflicts implies that “investing in development is especially important to reduce the probability of conflict”.

Political leaders are most likely to agree on this recommendation, suggesting that the fight against war and threats to international security requires a sustained reduction in poverty. The German chancellor Gerhard Schröder in the *Program Action 2015* drafted in 2001 observed that “extreme poverty, growing inequality between countries, but also within countries themselves, are great challenges of our times, because they are a breeding ground for instability and conflict”, thus arguing that “reducing worldwide poverty is, not least, essential to safeguarding peace and security”. A similar message is contained in the World Bank (2003) report *Breaking the Conflict trap - Civil war and development policy*, where the core argument is that
economic development has a pivotal role in reducing the incidence of civil war around the world.

These prescriptions have been basically driven by two influential policy papers, namely Collier and Hoeffler (2004) and Fearon and Laitin (2003). Collier and Hoeffler (2004) find that political and social variables that are most obviously related to grievances have little explanatory power with respect to the outbreak of a conflict. Conversely, economic variables, which could proxy some grievances but are more closely related to the viability of rebellion, have considerable explanatory power. Fearon and Laitin (2003) also find that lower per capita gross domestic product has a significant and negative effect on the onset of a civil war; they argue that the factors that explain which countries have been at risk of the outbreak of a civil war are the conditions that favor insurgency. These include the incidence of poverty, political instability, rough terrain and a large population size; income per capita is their proxy for the "state's overall financial, administrative, police and military capabilities"; once a government is weak, rebels can reasonably expect a higher probability of success. Though seemingly plausible and intuitive, the argument that poverty is the main cause of instability is based on weak empirical grounds, because of the possible endogeneity between economic conditions and conflict. Miguel et al. (2004) challenge the aforementioned results in a study of 41 African countries; they use rainfall as an instrument for economic growth, and find that exogenous economic shocks are strongly related to the outbreak of civil conflict. This suggests that it is not the level of income – and hence the incidence of poverty – but rather its sudden variations which can explain why countries incur into armed conflicts. Hence, we need to gain a better understanding of the determinants of civil conflicts in order to design effective prevention mechanisms.

If poverty is not so much a cause of instability and fragility but rather its main consequence, which are then the main drivers of fragility that can be influenced by policy makers? This is a crucial question that has not yet been answered. An objective of the ERD 2009 is to shed light on this issue, and to derive policy implications accordingly.
The academic literature has recognized the need to provide a theoretical framework to understand the main causes of fragility, and to rethink and revisit the existing results, some of which had a tremendous – though possibly misleading - impact on policy making. This is why we believe that a discussion on the causes of conflicts is still needed, and it will be dealt with in the ERD 2009.

State capacity and institutions will be at the center of our analysis. Our aim is to fill in the gap in this literature, providing the theoretical framework needed to understand why some countries are trapped into instability and violent conflicts. From a methodological perspective, we aim at overcoming the econometric pitfalls in the previous literature on the determinants of civil wars and conflicts. One can imagine a situation where a sudden - and exogenous - fall in consumption drives people to violence. This relationship would then be similar to the one between income and democracy, and economic growth and democracy. Acemoglu and Robinson (2001), for instance, emphasize that regime changes are more likely during recessionary periods because the costs of political turmoil, both to the rich and to the poor segments of the population, are lower during such episodes. This is analogous to the Miguel et al. (2004) results. However, Acemoglu and Robinson (2001) also find that "holding inequality and other parameters constant, rich countries are not more likely to be democratic than poor ones", and a similar line of reasoning could explain the relationship between poverty and civil war.

Extensive research, thorough econometric analyses or case studies, have been carried out on the relationship between natural resources, poor development and fragility, but the existing evidence is still controversial. There is no doubt that natural resources played a role in some recent armed conflicts; however, it is unclear which are the possible mechanisms that may explain the association between natural resources, institutions, instability, demographic growth and a disappointing development performance. Most importantly, we are not able to identify the most appropriate policies to deal with the problem of fragility in resource-rich countries, and the ERD 2009 will address this crucial question.

The role of aid in conflict-affected countries is also controversial. For instance, it is not clear whether and how aid might contribute to post-conflict reconstruction. The
book From Conflict to Recovery in Africa by Tony Addison, uses the examples of Angola, Eritrea, Ethiopia, Guinea-Bissau and Mozambique to explain the importance of broad-based recovery in post-conflict reconstruction. To explore how societies go from conflict to recovery, the book analyzes the role played by communities, private sector and the state. “Unless communities rebuild and strengthen their livelihoods, neither reconstruction nor subsequent growth will be broad based. But communities cannot prosper unless private investment recreates markets and generates more employment. And neither communities nor the private sector can realize their potential without a development state” (Addison, 2003). International actors, such as aid donor agencies, can help by assisting better peacekeeping, and NGOs can assist by rapidly addressing emergency needs so that “strengthening the capacities of national actors is therefore essential for international assistance to work well”. Governments need to encourage private investment and protect property rights, and, at the same time, protect public interest and defend the poor. For this, it is crucial to ensure democratic institutions that do not favor the elites against the poor or ethnic minorities. A fair allocation of public spending across regions and ethnic groups is therefore crucial to eliminate the potential grievances that are at the roots of conflict: “transformation, rather than reconstruction, is the watchword for broad based recovery”. In his words, “if resources are available, then rebuilding shattered infrastructure is a reasonably straightforward task. Reassembling pre-war institutions may not be too difficult either. But it is a lot harder to transform institutions and policies, specially, when these favor one social group over another. Yet, unless this is done, recovery will be narrow rather than broad in its benefits, poverty will remain high, and conflict will almost certainly return” (Addison, 2003).

Consequences of fragility – a challenge for aid effectiveness

Making aid effective has been one of the main challenges and key priorities of development actors. However, only recently the specific aid effectiveness challenges in situations of fragility and conflict have been acknowledged. Given the possible weakness of national governments capacity in recipient countries, the Paris Declaration may not be easily applicable and concern has shifted on state-building and institutional dynamics (which we discuss in Chapter 3). Accordingly, the international engagement agenda has also included “state-building” and “peace-building” considerations. Empirical research on the impact of foreign aid on
economic development has not found a consistent positive - or negative – effect on the pace of economic growth. There are several reasons that can explain this inconclusive result on the relationship between aid and stability, poverty and economic growth. Some authors have drawn a parallel between the large body of literature on the so-called curse of natural resources and foreign aid, which could be subject to the same rent-seeking dynamics. Therefore, aid could give rise to a "curse of unnatural resources". However, international donors also argue that the effects of foreign aid are not limited to economic growth, as aid also produces a positive impact on the process of democratization of recipient countries.

Regrettably, the empirical evidence supports the opposite result: foreign aid is likely to have a negative impact on the democratic stance of developing countries. If natural resources produce a large flow of income, that “windfall” may generate corruption, rent-seeking activities and - in extreme cases – lead to a civil war. A large flow of foreign aid may have the same consequences. For instance, one of the largest projects financed by the World Bank in recent years is the $180 million Chad-Cameroon oil pipeline. The World Bank applied a novel scheme to this project in order to limit corruption: the revenue had to be transferred into an offshore account, and the government of Chad was expected to spend the money only on education, health, and infrastructure. It is well-known - and documented - that the initial $4.5 million received as a signing bonus from the oil companies was used to buy weapons. At the end of the project, it is estimated that as much as $12 million had been diverted to buy arms. Recently, Chad weakened the regulation imposing the earmarking of most of its oil revenue to poverty reduction programs and reneged on its deal with the World Bank. Once oil revenues began to reach government’s accounts in 2004 the program - which also requested that royalties were monitored by an independent committee - ran into serious troubles. Finally, the World Bank decided to suspend all its loans to Chad. Along the same lines, Maren (1997) provides evidence that the Somali civil war was caused by the attempt of different factions to control the large food aid that the country was receiving.

The literature on aid effectiveness has grown so large that in the ERD 2009 we shall confine our focus on what Hansen and Tarp (2001) call the analyses of “third generation”, which can be traced back to Boone (1996). Boone finds that aid does
not significantly increase investment, or any human development indicator, but it
does increase the size of government. Burnside and Dollar (2000) concentrate on the
differential effect of policies, instead of political institutions, on the effectiveness of
aid. They find that aid works in “good policy environments” – notably sound fiscal,
monetary, and trade policies. The results in Burnside and Dollar (2000) imply that
increasing the conditionality of aid on policies would improve the effectiveness of
aid.\(^9\) Their influential work led many policy makers to disburse aid to countries with
good institutions. Since fragile countries do not belong to this group, they may be
exposed to the risk of becoming what McGillivray (2006) labels as “aid orphans”. This
is obviously an extremely controversial but very relevant issue. How to confront this
phenomenon and how to make aid work in fragile countries will be extensively
discussed in the ERD\(^{10}\).

Hansen and Tarp (2001) examine the relationship between foreign aid and growth of
real income per capita, as it results from simple extensions of common cross-country
growth specifications. They show that aid increases the growth rate of income, and
this effect is not conditional on “good” policy. They emphasize the existence of
decreasing returns to aid, and that the estimated effectiveness of aid is highly
sensitive to the choice of the estimator, and to the set of control variables. Easterly
et al. (2004) claim however that the results of Burnside and Dollar (2000) are not
robust.\(^{11}\) The results in Przeworski and Vreeland (2000) and Barro and Lee (2005)
cast further doubts on the relationship between domestic policies and aid
effectiveness. Both studies analyze the effectiveness of IMF credits and conclude that
loans reduce economic growth and investment in the recipient countries. More
recently, Rajan and Subramanian (2007) find no evidence of a relationship between
aid and economic growth, even after correcting for the fact that aid goes typically to
the results of seven aid-growth papers to investigate the importance of potentially
arbitrary specification choices while minimizing the arbitrariness on testing choices.
And found that they were not robust. As the effectiveness of aid is questioned over
the whole set of recipients, it is reasonable to expect that aid effectiveness
represents an even more challenging task in fragile countries, in this report we enter
the debate and attempt to answer with new evidence.\(^{12}\) Most of the existing evidence
however, comes from analyses that consider all recipient countries, with McGillivray
(2006) and McGillivray and Feeny (2008) representing two exceptions. Fragile states have some characteristics that make them more vulnerable compared to the rest of recipient countries, and the ERD 2009 will study the effectiveness of foreign aid to this set of countries.

As avoiding the failures of aid effectiveness in fragile states should be a priority for European donors, we will also focus on whether – and eventually how - Europe can learn any relevant lessons from its neighbouring policy towards Middle East and North African countries.\textsuperscript{13}

The European experience in dealing with fragility will also be analyzed from the crucial perspective of the national donor agencies, to adopt a bottom up approach that builds upon existing policies and tries to identify success stories and best practices.\textsuperscript{14}

\textit{Consequences of fragility – a threat for international security?}

The international community has increasingly been considering, over the past ten years, fragile countries as the source of several interrelated risks and threats. The European Security Strategy of 2003 identifies the “alarming phenomenon” of state failure as one of the main threats to the European Union (European Council, 2003, p. 11). The Report on the Implementation of the European Security Strategy (European Council 2008, p. 12) confirms such a view and explicitly points to the importance of the connections between development and security. The 2005 Development Consensus and the 2007 report on the policy towards fragile states both stressed that “a development approach to security” is needed (European Commission, 2007, p. 8). These concerns are by no mean unique to the EU. Major international organizations (UN, OSCE) and major international actors (USA, Canada, Australia) share the diagnosis that situations of fragility can create pervasive situations of transnational risks and, under some circumstances, can become an immediate and direct threat. Identified threats concern every aspect of security reaching from concerns over terrorism and transnational organized crime to various issues of health, environmental and economic security.
Although fragile countries are a top priority on policy makers’ security agendas, the empirical evidence gathered so far does not support the notion of a direct causal link between fragile countries and transnational threats (e.g. Hehir, 2007; Patrick, 2007). Indeed, for many analysts "the idea of failed states as a security threat is [...] an exaggerated one" (Chandler, 2006, pp. 189-90). Yet, relatively little empirical analysis has been conducted on the link between state failure and transnational threats. As Patrick (2007) puts it, “what is striking is how little empirical analysis has been undertaken to document and explore the connection between state failure and transnational security threats” (pp. 644).

While some countries ranked high on several state failure indexes, indicating that state failure can be a significant source of global threats (e.g. Somalia), others show only a weak link (e.g. Burundi, Malawi) (Rice and Patrick, 2007; Fund for Peace, 2006). This discrepancy points in the direction of a differentiated strategy, which does not lump together heterogeneous situations and is sensitive to context and the particularities of each country. It also suggests caution towards justifying development work and other forms of intervention in terms of national and European security. Yet, it is important to keep in mind that many of the risks and threats might not have a global reach – threatening directly and immediately the EU –, but remain crucial in a regional, and local, security context. Fragility can threaten and destabilize neighboring countries, and hence can put development efforts at risk or even favor the outbreak of (regional) interstate conflict (Will, 2007).

Analysis of the different types of threats induced by fragility hence need to operate on a case by case basis and address if a risk or threat might be global or regional in reach. Notably the following threats in global and regional dimensions require consideration:

*Terrorism* - Since the terrorist attacks of 9-11 at the latest, the assertion that fragile countries might provide a safe haven for terrorist organizations has become conventional wisdom. The threat menacing the international community derives from sub-state groups that thrive on the conditions endemic in fragile countries. As the literature indicates, the connection between country fragility and transnational terrorism is more complicated and tenuous than often assumed (Newman, 2007;
Stewart, 2007; Hehir, 2007). Not all fragile countries are afflicted by terrorism, least of all by terrorism of transnational objectives and reach. Terrorist groups have emerged from, and operated within, countries which have strong, stable states and a variety of systems of government as well. They also operate in fragile countries but it is not necessarily the condition of fragility which explains their presence. Moreover, fragile countries may be of declining importance to transnational terrorists, given that terrorists have diffused in more global networks with autonomous cells in dozens of countries which might be poor and wealthy (see e.g. Korteweg, 2008; Takeyh and Gvosdev, 2002).

**Piracy** - Fragile countries might host pirates, which threaten global economy and trade. The 2008 implementation report stresses the urgency of this threat and the EU’s military response in the Horn of Africa through the recent Atalanta mission underlines its importance. The link between fragility and piracy is intuitive. The case of Somalia, recalled in Chapter 1, is paradigmatic in this regard. Yet, which conditions of fragility favor piracy and armed robbery remains under-investigated (Nincic, 2008).

**Transnational Organized Crime** - Transnational crime encompasses a vast array of activities: human and drug trafficking, alien smuggling, environmental crime, counterfeiting, financial fraud, high-tech crime, or money laundering. Some of these activities are closely linked to country fragility, narcotics being a case in point.

**Weapons Proliferation** - While the risk of the proliferation of high-end weapon technology, such as nuclear, chemical, biological weapons or carrier rockets is minimal (Steward, 2007), the proliferation of small arms and other tactical weaponry potentially afflict regional security, e.g. as violent actors in neighboring countries have easier access to weaponry.

**Diseases** - Fragile countries cannot or will not provide basic public health services. This increases the risk of spreading diseases. The 2008 case of the outbreak of cholera in Zimbabwe highlights that diseases can have immediate regional security implications. Moreover, the majority of recent (and novel) outbreaks of infectious diseases have been located in fragile countries. Given the structure of the globalized
transportation system, diseases can spread rapidly. Conflict-affected countries contribute to the spread and diffusion of viruses across borders through the movement of refugees (e.g. Montalvo and Reynal-Querol, 2007).

Refugees – As mentioned above, fragility can favor massive refugee movements which can create significant regional problems. Mass refugee movements can potentially destabilize neighboring countries (Mandel, 1997). Moreover, as the case of violence in the Great Lakes region highlights refugee camps can be a site for the re-organization of violent actor groups.

Finally, a number of significant transnational risks, like energy and resource scarcity as well as environmental degradation (illegal exploitation, desertification, pollution), might affect development policies and, specifically, the link between development and security. These factors might - or might not - cause large scale violence, such as civil wars. However, whether development work can contribute to, address and prevent these threats is therefore an issue that requires further exploration.

Consequences of fragility - the security/development nexus in practice

That security and development are related is widely acknowledged. Concepts such as human security or peacebuilding aim at conceptualizing the interdependency between security and development (see Uvin, 2002; Tschirgi, 2003; Sovacool and Halfon, 2007; Barnett et al., 2007; Kaldor et al., 2007). Activities and measures in each domain can complement each other. The security/development can also create as a vicious circle: for the delivery of aid and assistance, security conditions need to be fulfilled; yet without assistance and aid, security measures are often unsuccessful. The security-development nexus produces a range of challenges.

The organizational challenge

Recently security, as well as development organizations, has extended their mandates into each other’s domain. NATO has developed its activities as a humanitarian actor and within NATO-led interventions troops engage in reconstruction (e.g. Borders, 2004; Sedra, 2005; Soovacol and Halfon, 2007). Development agencies engage in the production of intelligence and in fields that rely on security expertise, such as security sector reform. Efficiency might be at risk due
to duplication and contradicting practices and potential blind spots in the overall set of measures. This raises the need for coordination and integrated strategies addressing which organizations can deliver what kind of assistance most efficiently. So far, coordination has been more on a rhetorical than a practical level (Chandler, 2007; Young, 2008). How the functional specialization can be overcome or utilized efficiently, on both a strategic, as well as operative (on the ground) level, is a pressing challenge. Given the multi-level governance structure of the EU and the organization of development and security in different pillars, developing coherence is a challenging task within the EU. Coordination concerns not only the convergence of different functional domains but also the different national policies. Additionally it raises the question how the EU can speak with a single voice in international organizations, such as the UN bodies, which are organized by the principle of state sovereignty.

Moreover, the dominant approach has been to think about security and development in linear and sequential terms, in which security organizations are active in a first (peacekeeping) phase and development organizations are responsible in a following post-conflict (peacebuilding) phase. This sequential approach is problematic for at least two reasons (Autussere, 2009): Firstly, the decision when a situation is to be considered as post-conflict is often made on the basis of political needs rather than the needs of the situation. Secondly, situations of post-conflict might be fluid and unstable and development agencies are only weakly equipped to cope with any renewed outbreak of small- or large-scale violence. This raises the need for developing alternative strategic models of temporal coordination, such as developed in the frame of complexity or network theory (de Coning, 2006; Ricigliano, 2003). Complexity and network theory are both attempts to foster coordination through non-hierarchical means and to guarantee a flexible mode of planning that can correspond to the operational needs in the spatial-temporal context of concrete situations.

Coordination is an important and ongoing challenge. Yet it is also important to acknowledge for the limits of coordination efforts. While earlier literature has made the lack of coordination a crucial factor in explaining the relative failure of peacebuilding operations (e.g. Jones, 2002), fostering coherence is only one aspect
of peacebuilding success (Paris, 2006; Woodward, 2007). Coordination assumes that it is already known what needs to be done and suggests that measure need only be design more efficiently. Yet in the majority of peacebuilding situations, this is hardly the case (Woodward, 2007).

The securitization of development work
A range of development theorists has expressed the concern that the security/development nexus might lead to the subordination of development policies to the strategic interests of security policies (Duffield, 2001; Chandler, 2006; Lambach, 2006). From this point of view, the blurring of the lines between development aid and assistance and military practices (e.g. counter-insurgency), puts development actors at risk. They are no longer visibly neutral, but considered as part of the conflict. This raises the question in how far military organizations might put development at risk and if military organization should get involved in development activities. While this is the operative side of the problem, the securitization of development also raises the question if aid becomes selective and concentrated on countries selected by immediate (short term) strategic and security needs, rather than long term (humanitarian or future cooperation) considerations.

Unintended Security Implications of Development Aid
Both security as well as development practices might have counter-intuitive implications. While the consequences of security practices on development are well discussed under the header of the securitization of development (see above), development practices may equally have negative implications for security and stability. Aid can sustain a conflict in affirming dividing lines in a society. Development aid can also facilitate the reorganization and remobilization of violent actors. The resources provided by development actors can itself become the object of violence. While these effects have been well documented (e.g. Anderson, 1999), little has been done to integrate principles that can potentially prevent these effects in official policies.

Consequences of fragility – the impact on gender issues
A major concern is the increase in gender based violence during and after conflicts with its impact on security and health of communities (WHO, 2006). Development
policy stresses the importance of gender mainstreaming in relation to women and security. There are important initiatives and studies on gender based violence, trafficking of women, that centre around the UN Resolution 1325: protecting women in conflict and enhancing a gender perspective in peace processes (Bouta, 2005). These issues are the basis of major research among UN and civil society groups working on the gender consequences of conflict which can be included in the preparation of the ERD 2009. Following the gender and development policy literature the concern here will be to examine policy approaches that can move women from a victimized situation to being an active participant in development (Gutierrez 2003; IMF-World Bank, 2007).
References


Faria, F. and P. Magalhaes Ferreira (2007) Situations of Fragility – Challenges for an European Response Strategy, study prepared by the European Centre for Development Policy Management (ECDPM) and the Instituto de Estudios Estratégicos e Internacionais (IEEI) for the Portuguese Institute for Development Support (IPAD)


Endnotes to Chapter 2

1 This issue was emphasized by Francois Bourguignon in the ERD Research Workshop held in Brussels.

2 In the Barcelona conference Tim Besley and Torsten Persson will present two papers on the analysis of the causes of armed conflicts. Their analysis is based on a theoretical model on the economic and institutional determinants of civil war, which is then used to interpret the empirical evidence on the prevalence of civil conflicts across countries, and their incidence within countries over time. This work represents an initial step along a learning process which is characterized by a mutual influence between theoretical reasoning and empirical analysis.

3 We address the issue of simultaneity: the incidence of civil wars and poverty may be driven by the same determinants, some of which are often not included in the typical econometric specification, thus leading to an omitted variable problem. We propose to assess the robustness of the current consensus around the role of poverty using alternative econometric techniques – namely, instrumental variables - which are subject to weaker identification conditions than the usual regressions are. Along these lines, Simeon Djankov and Marta Reynal-Querol will present a paper where they revisit the relationship between poverty and civil war in the Barcelona conference.

4 In particular, countries with large male population in their late teens and early twenties often face a higher likelihood of entering a conflict.

5 This topic will also be dealt with in Chapter 4.

6 A paper written by Paul Collier and Tony Venables will address this issue in the Barcelona Conference. This paper will set out the key policy issues of economic management in the African commodity exporting countries. The authors will discuss the short- and long-term implications of commodity booms for economic growth and their paper will also explore the choices faced by the governments that have received substantial revenues from natural resources. Collier and Venables analyze the economic principles underlying efficient use of a flow of resource revenues, and how do these principles map into the options that policy-makers face. The commodity boom that began in 2003 and is now faltering because of the global financial and economic crisis has already provided African countries with unprecedented export proceedings, which account for substantial shares of export earnings and fiscal revenues. An adequate management of these resources represents the best opportunity that the region has had for achieving a sustained development, but the experience of most resource-rich countries has been disappointing, and the challenge for Africa is to make a better use of present commodity windfall.

7 Refer also to Oxford Management/the IDL Group (2008) for a comprehensive discussion of the problems of applicability of the Paris Declaration in fragile and conflict-affected situations

8 Recent contributions in the literature emphasize the political and conflict solving nature of the international engagement. On these issues Alina Rocha Menocal will write a paper for the workshop of Florence.

9 Related studies have corroborated this finding: the interaction of aid and good policies is robust to the inclusion of additional explanatory variables, such as commodity export price shocks in Collier and Dehn (2001), or the adoption of alternative proxies for good policies (Collier and Dollar, 2002).

10 See OECD, 2008.

11 Estimates change if one changes the sample period - e.g., by extending the sample up to 1997 - or if one fills in the missing data for 1970-93 period.

12 A second paper by Paul Collier and Tony Venables which will be presented in Barcelona will address the topic of fragile states and will provide an overview on the development challenges that Africa is facing today. This paper will bring new ideas on how European donor countries could help countries in a situation of fragility. Within this framework, the authors will also address the issue of whether there is any advantage that Europe has – or it may have – over other donors in dealing with fragile African countries.

13 This issue will be analyzed in the Barcelona Conference by a paper produced by the CREMed.

14 The Barcelona conference will host a round table with panelists from the DFID, AFD, BMZ, SIDA and other national development agencies, and from the WIDER, the European Bank for Reconstruction and Development, and the World Bank. The round table will be articulated around a very precise and concrete set of questions related to the policy implication of the main papers presented during the conference itself, and the role that Europe could play in dealing with fragility.

15 In the Florence workshop, we will have two papers providing an overview of the origins and characteristics of the relation between security and development, one paper laying out the different dimensions and issues of the security-development link (Büger-Vennesson), and another on the sources of the link between security and development in humanitarianism (Barnett). We will have three case-study
papers on lessons from the field on the implementation of the links between security and development (Pouligny); Security-development in Somalia, Guinea-Bissau and Congo (Tshirgi), and on the EU security sector reform policy in the Central Africa Republic (Bagayoko-Penone). In addition, one paper will highlight the regional dimension in Africa and its impact on the link between security and development (Sindjoun).