



South Sudanese soldier mans machinegun while escorting convoy of returnees from North Sudan to Abyei

The Stabilization Dilemma

BY GREG MILLS

Nanette is pleased to have a job at the Hotel Ivoire, the somewhat bizarre, Israeli-designed 1970s grand statement located in Abidjan, Côte d'Ivoire. This elegant woman in her 40s travels 15 kilometers from her home every night, a journey that daily soaks up \$6 of her \$240 monthly salary. But she is grateful to have a job, especially since her husband is paralyzed from the neck down, the result of an industrial accident. And things are looking up. The hotel is being renovated, occupancy is climbing, and the giant pool surrounding the entire resort has been freshly painted and is once more full of water.¹ Côte d'Ivoire is slowly getting back on its feet after a devastating civil war. In the longer term, Nanette's prosperity—like that of her 21 million countrymen and women—is linked to the things she cannot see and, in a fragile democracy, has little power over: the effectiveness of the process of political reconciliation, economic growth, and the governance necessary to ensure that the growth is spread beyond a tiny elite, and, above all, the maintenance of peace. The role of outside powers in this transition is limited, and they have to learn, first, to do no harm and, second, to link private sector-led growth better with donor interests and flows.

While economics often serve to compound political difficulties, the economic challenge is, overall, profoundly political. This realization has given rise to a global peace-building template usually involving a political agreement facilitated externally and backed by foreign guarantees. This is followed by elections and the advent of representative government; disarmament, demobilization, and reintegration (DDR) of armed combatants; and collecting weaponry, delivering humanitarian assistance, reinstating the traditional drivers of growth (in postconflict countries these are often agriculture, mining, and remittances); restoring infrastructure; and reducing or eliminating inherited debt. In this process, there are inevitable tensions. For example, should the focus be on creating the conditions for stability rather than putting the long-term building blocks in place for development?

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Afghanistan illustrates these dilemmas. As one U.S. Marine general put it in International Security Assistance Force (ISAF) headquarters in Kabul in 2010, the “military is inherently corrosive to development, but necessary too. It’s a bit like treating cancer with chemotherapy. You try and kill the disease—the insurgent—before the patient—Afghanistan.”² There is a danger, for example, that humanitarian assistance would undermine Afghan farmers by deflating prices or yield increases through massive, sudden extension schemes that would not only be unsustainable but also not be followed up by the creation of markets in which to sell such goods. By 2010, more than 37,500 southern Afghan farmers had benefited from the Food Zone alternative livelihoods scheme, along with a further 50,000 farmers reached under the U.S.-funded AVIPA (Afghanistan

tensions include spending on the military rather than on longer term governance and job creation or on short-term humanitarian assistance rather than development

Vouchers for Increased Productive Agriculture) seed and extension project.³ While the livelihood programs such as Food Zone and AVIPA offered a carrot of institutionalized governance to the rural areas—bringing Kabul into contact with rural people often for the first time—they were missing the development aspects of postharvest handling, beneficiation, marketing, and sales so crucial to establishing a value chain. As an agriculture ministry official in Kabul put it, “[the Food Zone and AVIPA] are absolutely not sustainable. At some point things will have to give. . . . [AVIPA] is run by a bunch of beltway bandits.”⁴ Or as another with extensive experience in the pomegranate

and grape industry in the south put it, “They [AVIPA] have not understood what works in terms of crops, and what is needed after harvesting.”⁵

Similar tensions include spending on the military (such as in South Sudan, consuming as much as half of its \$2.5 billion budget) rather than on longer term governance and job creation or on short-term humanitarian assistance (often the delivery of food) rather than development. Should external agents backstop local partners or, in the process of maturation, risk their failure? Similarly, in an effort to maintain political stability and buy-in, what is the balance between reinforcing powerbrokers (that is, warlords) in a top-down governance engagement and addressing bottom-up governance concerns? These relate to other tensions: between justice and the imperative for reconciliation, such as is necessary in Côte d’Ivoire today; opening up space for the private sector versus rent-seeking by the elites; urban versus rural spending; and dealing with meeting short-term expectations versus long-term economic drivers (that is, consumption versus productive investment). Finally, much of the economic growth to be generated in the short term is through the informal sector, though the challenge overall is growing this in a manner so it can be regulated and taxed.

Such tensions can be distilled down to three central questions: Should we balance the powerbroker versus good governance imperative and if so, how? How can we get the politics right—or better? How can foreign interventions best assist private sector growth?

The Ivorian Illustration

At first glance, Côte d’Ivoire seems to have much that Africa lacks. Skyscrapers and outwardly classy hotels perch on Abidjan’s

business center “Plateau” above a beautiful lagoon. There is even a custom-made capital at Yamoussoukro, manufactured in the style of Canberra or Brasilia, including a near-replica of St. Peter’s Basilica in Vatican City, which was built at a cost of \$400 million in the 1980s.

A French colony from 1893, Côte d’Ivoire was a constituent unit of the Federation of French West Africa until December 1958. Then it became an autonomous republic while remaining within the French community. Independence followed on August 7, 1960, when Felix Houphouët-Boigny, the son of a wealthy chief, assumed the presidency. Houphouët-Boigny inherited an economy geared toward the export of cocoa, coffee, and palm oil (contributing 40 percent of the region’s entire exports) and dominated by a sizable population of French settlers, numbering some 50,000 at their peak in the 1970s (part of a total population of 7 million). The new president promoted agriculture, stimulating production with high prices. By the 1970s, Côte d’Ivoire became the world’s third largest coffee producer (behind only Brazil and Colombia) and the leading producer of cocoa, which by 2012, despite industry problems, still supplies more than 40 percent of world demand and 20 percent of government revenue. The country was also Africa’s largest producer of pineapples and palm oil, and measured only second to Nigeria in the region in many respects. “With nearly 7,000 kilometers of paved roads,” reminds Minister of Commerce Dagobert Banzio, “even today we possess one-third of the region’s highways.”

French domination and Houphouët-Boigny’s firm hand were tolerated in an environment where for 20 years following independence in 1960, the country maintained an annual economic growth rate of over 10

percent. Gross domestic product (GDP) per capita growth averaged over 80 percent in the 1960s and an extraordinary 360 percent the following decade. The focus on farming meant that these benefits were comparatively widespread, with much of the gain falling into the hands of small holders. Literacy also doubled to 60 percent during this period, while virtually every town was reached by roads and electricity. Not for nothing was Abidjan labeled the “Paris of West Africa,” a cosmopolitan hub of commerce, people, and nightlife.

But the collapse was sudden. A decline in the price of cocoa coupled with the burden of excessive state spending saw per capita GDP fall from \$1,300 in 1970 to \$700 by 1992. This was compounded by expectations that Houphouët-Boigny would step down on the 25th anniversary of his rule. When he did not, instead of reinvesting in the economy, businesspeople maintained a wait-and-see attitude. “There is not a single major building in Abidjan or bit of infrastructure built after 1985, aside from a half-completed mosque,” states business leader and politician Jean-Louis Billion. Moreover, a culture of corruption had begun to develop. The private stabilization fund for cocoa established with liberalization in the 1990s was empty—raided with impunity by the administrative elite.

It was a double-blow with political change paralleling economic stress. GDP tumbled as the country’s external debt trebled. The government’s response was to call in the International Monetary Fund, slash government spending and its bureaucracy, and send home a third of the expensive French advisors. This reaction did little to help, especially as it included cutting cocoa prices to farmers by half in 1989. Little wonder that Houphouët-Boigny only got 85 percent of the 1990 election vote,

opened to parties other than the ruling Parti Démocratique de la Côte d'Ivoire (Democratic Party of Côte d'Ivoire [PDCI]) for the first time, compared to the usual 99.9 percent.

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In January 1994, the 50-percent devaluation of the CFA franc (the regional currency used in 14 countries, 12 former French colonies, and Equatorial Guinea and Guinea-Bissau), whose value was underwritten by the French government (hence making exports costly and imports cheap), led to a jump in inflation and further instability even though it ultimately improved export prospects.

Although the economy partly righted itself, the situation overall worsened with the political chaos that followed Houphouët-Boigny's death in 1993. According to Amadou Gon Coulibaly, the Minister of State for current President Alassane Ouattara, Houphouët-Boigny's personality had helped to mask weaknesses already evident in his administration:

In a single-party state, transparency was not the best one can have. The press did not play a positive role either, and while the private sector was important, actually it was the government on which the economy depended. It was very difficult for the state to maintain an acceptable level of management and efficiency.

In part this was caused by the culture inculcated by Houphouët-Boigny. As a Wharton School-educated Ivorian business consultant put it, "The country had a well-educated elite but not an entrepreneurial elite. As a result, they were dependent on hand-outs, not on making money for themselves."

Lacking Houphouët-Boigny's national appeal, it was too easy for those leaders who followed to play the identity card—xenophobia was encouraged by a combination of economic difficulties, youth frustration, and the widespread regional immigration encouraged by Houphouët-Boigny even during the best of times. Today perhaps as many as 40 percent of the Ivorian population can trace their origins to elsewhere in the region, with citizens of neighboring Burkina Faso, Guinea, Ghana, Liberia, and Mali being the most prominent.

Houphouët-Boigny's handpicked successor, Speaker of the Parliament Henri Konoan-Befie, was forced out in late 1999 by a military coup led by General Robert Guei. In October 2000, a presidential election marked by violence saw Laurent Gbagbo come to power. Ouattara was disqualified from running because of his alleged Burkinabé nationality, which was perhaps inevitable yet unprecedented in a country with 60 constituent ethnic groups. Violent protests culminated in an armed uprising in September 2002, when troops mutinied and launched attacks in several cities, prompting France to deploy troops to stop the rebel advance.

When Guei was killed (some say assassinated), Ouattara took refuge in the French embassy and Gbagbo returned home to negotiate an accord resulting in that African speciality in which no one can admit defeat. Amid ongoing violence, Gbagbo's original mandate as president, which expired on October 30,

2005, was extended, with elections finally being held in November 2010.

With both Gbagbo and Ouattara claiming fraud and victory, and both staging inaugurations, the United Nations (UN) certified Ouattara as the victor. This led to a further crisis and violence as pro-Ouattara forces seized control of most of the country, with Gbagbo finally evicted from his hideout in Abidjan in April 2011, by UN forces and external support, notably a French battalion. With civilian casualties estimated at around 3,000 and looting of factories, ministries, and homes widespread in the last 2 weeks of the unrest, many businesspeople fled the region. The trauma of the violence was palpable and remains so now.

In the absence of economic growth, and without any great ideological differences, it was too easy for political rivals to play to the politics of identity. The election showed that just under half of the population sees the Christian southern Gbagbo as their man; the others prefer the Muslim northerner Ouattara. These crude stereotypes perpetuate with the choice of international partners: for example, Ouattara is portrayed by opponents as Paris's guy. The cost of this, and the pernicious accompanying political-economy based on narrow personal agendas, is evident not only in the record of stability but also in the reality (or lack thereof) of development since the 1990s. As one businessman put it, "I estimate that 20 percent followed Gbagbo for political reasons; the other 30 percent just followed the cash." Côte d'Ivoire ranked 154/182 on Transparency International's Corruption Perception Index, for example.⁶

Instead of maintaining its place as an African and global success, Côte d'Ivoire quickly lost ground. In the 1960s, Malaysia and South Korea were among the Southeast Asian

countries that sent delegations to learn from Côte d'Ivoire's economic success. At the time, South Korea had just one bridge over the Han River in Seoul and there were two in Abidjan. Today the respective numbers, says Jean-Louis Billion, are 27 and still 2. Much the same can be said for the University of Abidjan, which was built to accommodate 6,000 students in the 1970s and today hosts 70,000. Illiteracy has increased to 60 percent of the population according to the government, inverting Houphouët-Boigny's achievement. "Such circumstances can only make the youth violent," Billion notes. Ouattara's first prime minister, Guillaume Soro, is a rebel leader grounded in the hard school of student politics.

Chief of the Cabinet Brahima Toure, who trained as an aviation engineer at the Massachusetts Institute of Technology, notes that Ivoirians are poorer today than they were in 1965. The government states that getting out of this situation will require focusing first on reinvigorating cocoa production, which still accounts for 12 percent of GDP and \$5 billion in export income and provides for more than 4 million Ivoirians in farming households. A second economic imperative is the need to diversify into mining and energy, the latter into hydrocarbons and expanding hydropower.

All this demands more spending on new infrastructure including roads and housing, along with health and education. But any reform process worthy of the name would also have to recognize the existence of various economies. The first is the formal sector (today fewer than a "few hundred companies," states one foreign businessman present for 35 years), which is heavily taxed (paying a combination of 18 percent value-added tax, punitive customs duties, 35 percent company tax, and electricity rates "two to three times the European average").

A second is the Lebanese economy, “comprising officially 100,000 people . . . many of [this economy’s members] . . . do not pay tax and operate on a cash-only basis, though they are important employers.” Lebanese entrepreneurs scooped up many former French businesses at bargain prices when the violence

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erupted in the early 2000s. The goal of the government is to broaden the base of the economy beyond French and Lebanese interests. To do that, however, it will need to open to other investors and incorporate the informal economy in which the bulk of Ivoirians subsist. Government plans scarcely acknowledge such differences, though there is a general awareness that employment has to be driven by the private sector and that growth in the cocoa sector will, in reaching so many families, rapidly alter the fortunes of a large number of people.

At the start of 2012, the government’s ideas were being formulated into a national plan, picking up on Houphouët-Boigny’s planning preferences starting in 5-year cycles in 1965. Dagobert Banzio sums up the philosophy behind the government’s thinking: “We need peace, national reconciliation, and development.”

Today, Côte d’Ivoire has the second-largest UN peacekeeping mission in Africa—United Nations Operation in Côte d’Ivoire—(behind the Congo), with 14,000 civilian, policing, and military personnel at a cost of \$650 million in 2011–2012.

On paper, the focus of the UN mission is to build and consolidate peace, with the emphasis on, first, keeping violence down, certifying the election, instituting DDR and security sector reform processes (thereby ensuring civilian control of the military), and deploying \$120 million annually through the gamut of 16 various UN agencies—all this to achieve, in the words of its own staff, “poverty alleviation, governance reform and sustainable development.” In practice, however, given the limits of its budget, the realization that “the government faces a multifaceted package of simultaneous emergencies” and the need to keep the peace process on track to benefit from \$6 billion in aid relief under the Highly-Indebted Poor Countries (HIPC) process, has been to ensure that “Côte d’Ivoire gets to HIPC [the decision point was June 2012] without falling over.” (Côte d’Ivoire receives nearly \$1 billion in aid currently apart from the cost of the UN military component and the \$500 million spent on the 2010 election.) “While Ouattara’s rule represents a deal between [former President Henri Konan Bédié’s] PDCI and his RDR [Rassemblement des Républicains], he has to recognise,” says a UN official, “that the rebels put him there.”

This is no small task given the presence of various armed groups within the government—the rebel Force Nouvelles and once-government FDS (Gbango’s melange of the police, gendarmerie, and military following the civil war) now grouped roughly 50/50 by Ouattara’s government into a 40,000-strong army known as the FRCI (Republican Forces of Côte d’Ivoire), and 20-odd other militias⁷—along with UN and French foreign forces. The UN’s postelection role has included joint patrolling, police mentoring, border patrols, and the pursuit of a humanitarian agenda

especially among the half million or so internally displaced persons (IDPs).

By the admission of its own staff, however, the impact of the UN mission has been marginal aside from its positive role around the election and its certification. Its ability to keep the peace from 2003 to 2010 speaks for itself, while the results of its postconflict role in resettling IDPs and the military integration process have been underwhelming. The reasons include the language problem with Bangladeshi, Jordanian, and Pakistani soldiers, comprising more than 50 percent of the international force, and the remainder of the UN contingent which, like the population, speaks French. Rumors also abound of black market activities during the mission in car, food, and fuel smuggling. "One has to ask," says a senior official, "whether \$500 million per year on average since 2003 is money well spent. If the UN mission was successful and influential,

then why did Gbagbo go completely around it in striking a peace deal in the form of the Ouagadougou Peace Agreement in 2007?"

This illustrates a pattern of international engagement across Africa and other trouble-spots and highlights the tensions inherent in pursuing stability versus longer term development.

Instituting Good Governance

Such tensions are especially the case where societies operate on personal ties rather than according to rule and law, and where power-brokers are given (or have) the authority to cut the spoils, gaining access to resources for plunder. For outsiders, there is a temptation that working through and with warlords offers an attractive means of "getting things done." But this system is unstable and can lead to exclusion, resentment, violence, and support for terrorism. Moreover, economic development by

Figure. The Stabilization Dilemma

Need for Foreign Effect	Local Ownership
Visibility of Delivery and Evident Metrics	Inner Stuffings
Local Partners Who Get Things Done	Working with Democrats and Good Guys
Bolster Security and Military	Demilitarization and Empower Civilians
Parachuted Foreign Understanding	Knowledge of Local Systems, Culture, and Ethics
Elite Consumption	Productive Investment
Pick Local Winners	Open Competition
Economic Growth	Taxable Formal Sector Growth
Stabilization	Development

definition requires inclusiveness. Also, in such a system, there are few rules for succession.

Changing this system requires instead the creation of a country based on meritocratic lines, where competitiveness rather than redistribution and patronage defines the political economy. This demands the promotion of literacy and communications within the state—the circulation of ideas being imperative to development—and delinking the economy from the commanders. One way to do this is to disperse militia throughout new security forces, ensuring that they do not live and operate in their

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old networks, making them more reliable on public support than lootable resources. This has to parallel the regulation of such resources, from poppies to timber to gold and diamonds.

Getting the Politics Right (or Better)

When a liberation movement takes over by force or at the polls, the country’s politics are especially traumatic in the transition from a liberation movement to a government. As Christopher Clapham has noted:

Governing a state . . . is not like conducting a war. It calls for an inclusive rather than an exclusive approach to those whom you govern. It requires openness towards the difficult choices that confront you, and a constant search for acceptable compromises between alternative policies, and between different groups and interests within the community of the governed. Governance within a globalised world is . . . greatly

eased by maintaining good relations with other (and especially neighbouring) states, and with non-state actors and international institutions. This all imposes the need for a massive and deliberate process of adjustment that the legacy of a liberation movement is extremely ill-suited to provide [emphasis added].⁸

This demands a fundamental shift in mentalities, systems, and attitudes, and a change in focus from liberation to governance, from victory to compromise, and from a them-and-us mentality to inclusivity. There is the omnipresent postliberation challenge of separating party and state (unpicking what is known as a “partystatal”). Similarly, relations with neighbors have to change from a war footing and “where you stood in the war” to friendly relations aimed at efficiency and mutual benefit. Similarly, with the advent of government power, the relations between top and bottom inevitably change from leaders and followers to rulers and the governed. There is a repeated lesson for these processes: elections do not mean democracy, and the latter is a process related to attitudes and institutions much more than a single event. Disarmament is essential, but retained armament is often politically justified against the need for security even though running an army does not translate into the skills necessary to run a government. Finally and most importantly, there is a need to guard against confusing liberation myths with government realities.

The Economy

The economy, while probably the least perfect aspect of peace-building, is the most important given the roots of economic and developmental marginalization, political exclusion,

and poverty that often lie behind violence, upheaval, and dramatic political change. The key challenges here are that learning and replicating the circumstances and processes of economic growth are difficult—and resolve is often lacking.

However, we know that stability and predictability of policy and regulatory environment are important, especially in attracting local and foreign investment, and that the latter usually follows the former. There is also a need to open competition despite the cost to local interests, as well as the need to reduce costs and improve access to finance, markets, and basic services, notably roads and electricity.

Aid projects have a generally patchy record in this regard for all the reasons given earlier, notably the tension between the need to get things done (and be seen getting things done) to ensure short-term stability and the need to institute longer term drivers of growth and prosperity. In 2010, the international community was spending more than \$100 billion on in-kind military and other assistance annually in Afghanistan. This included more than \$10 billion in development aid annually, amounting to \$333 per Afghan man, woman, and child. In some areas, such as the southern provinces, this concentration was much higher. Yet given the lack of development impact—as measured by the existence of an economy outside that supported by donor money—it may have been better (and considerably more efficient) if the international community had simply bombed the country with bundles of money. This picture is replicated across a range of postconflict settings, as illustrated above.

The scale of the failure and waste is staggering even among hardened aid workers. “Aid expenditure in Afghanistan is highly distributive,” said one U.S. Agency for International

Development official in Kabul. “There is too much money. It is so gross in its volume that the effort is mostly to disperse it rather than disperse it in a wise, sustainable way.”⁹ Moreover, jobs created by donors are normally in services, most notably construction. This makes sustainability problematic when the

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geyser of donor funding is inevitably capped. Or as Lieutenant General Nicholas “Nick” Carter, a senior British army officer who commanded the combined forces, including British forces, in Southern Afghanistan, replied in 2010 to the question “Do you think that you got good value for the amount of aid expenditure in Afghanistan?”

Unquestionably not. I am in no doubt that one of the things [is] that we need to be more careful and be more circumspect in how we spend our resources in these environments. We went in there not necessarily understanding who our Afghan agents were in terms of how we spent our money. Many of our contracting processes and the way in which aid was distributed has undoubtedly fuelled elements of the insurgency because it has been done in a divisive way. Now that's not to criticize the people who have spent the money; it's simply that our understanding has evolved over a 5- to 10-year period and the consequence of that understanding is that I think we now understand that this is about spending money in [a] way that connects Afghan governance with its population and is about trying to encourage opportunity for

*all of the population and not just one or two rich and powerful families.*¹⁰

Just as the “problem” of Afghanistan is little different—though on a bigger, more lucrative scale—from stabilization situations elsewhere, the challenge thus facing the international community is much the same as the challenges it has attempted to remedy elsewhere. Where there has been success—Liberia is a good example—there is a willing if not always efficient local partner. Where an elected local partner is not effective, then little can be done to improve matters apart from providing an external security guarantee, constant urging, embedding external support in government, and maintaining hope. Sierra Leone

is a case in point. The United Kingdom has lavished diplomatic attention and military and development support for a decade but has taken baby steps regarding local progress in governance and development.

This is not surprising. Aid has also—even in conditions of relative peace—proven an ineffective means of delivering development. At best, as in Vietnam and Singapore, aid has been used to provide infrastructure, freeing up other government money for investment in productive sectors. The ratio of foreign aid to local expenditure remains pathetic. In Africa, this has been lower than 10 percent at times and averages around 50 percent. In Somaliland, given multiple channels through nongovernmental organizations (NGOs),



Terrie Schweitzer

Truck in border town of Sampa as part of UN presence in Côte d'Ivoire

this ratio is less than 20 percent according to government ministers there.¹¹ Private sector investment and capacity has so far consistently proven the most efficient and sustainable route to development, including in the donor nations themselves.

There is a more insidious problem. Donor and other forms of external support not only *disincentivize* normal entrepreneurial activity (there is an aid “mothership” happily distributing largesse sufficient for the elite) and distort key economic factors such as overvaluing the currency through large donor inflows, but also offer local politicians convenient means to externalize their choices, problems, and failures.

Combined with a pathological tendency “to examine” rather than “to do,” attempts to create jobs in postconflict countries follow a pattern. An idea is followed by a scoping study; this is normally backed up by a consultative process. Next an evaluation process produces a commission to conduct field work, which then delivers a detailed report “workshopped” along the way by various representative constituents and appraised by peer reviewers in “deep-dive longitudinal” processes. Moreover, the product has to be matched by a business plan that, usually after a period involving at least one turnover of donor staff, is condemned to a dusty existence on a shelf, forgotten when the idea is revived later and the process is started over again. The traditional route of an entrepreneur with a good idea who borrows money and starts a business is lost in the focus on easy money, where talents are diverted to tapping soft donor money. The businessman is seldom anywhere near this process. This results, too, in good ideas becoming international NGO causes rather than business cases.

Where aid-driven projects are likely to be more successful, there is a need to link these

two necessities, though there is a poor record in this regard. There is good preparation, good supervision, receptive and responsible local authorities, and overlapping priorities that complement spending. It follows that aid policies intent on the promotion of the private sector should prioritize three issues: address the most severe constraints to private sector growth, match the host government’s priorities, and target sectors and subsectors with proven track records. Or, as Minister of State Coulibaly says about Côte d’Ivoire, help invest in public services such as health, transportation, and education and in new job-intensive employment areas including agriculture. In essence, no rocket science is required.

Baking Fresh Cakes

Improving the success of postconflict peacebuilding missions is thus somewhat like making a cake. You need the right ingredients, a decent recipe, appropriate tools, and, more than anything, a top-class chef to mix the ingredients together, stir, and bake to perfection.

A huge amount of money has been spent on postconflict operations since the end of the Cold War: more than \$120 billion in Africa alone, over \$500 billion in Afghanistan, and \$3.7 trillion in Iraq. The security—or stabilization—aspect of such missions follows a well-trodden path: a ceasefire (or military victory), a political settlement that is often the outcome of international facilitation and local negotiations, elections followed sometimes by a unity government, and the DDR of former combatants. All this does not, of course, occur in an economic vacuum, which explains why foreign and local “chefs” attempt to work together using donor money to get things up and running.

The economic dimension to peace-building is crucial because poor socioeconomic conditions, unemployment, and exclusion are often the reasons for conflict in the first instance. There is thus a need not only to reinstate traditional economic drivers (usually mineral and agriculture commodities) along with improving basic infrastructure and services, but also to devise and create a new economic model that offers the opportunity for more inclusive growth.

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And here rests the key dilemma. The very people who take over often perpetuate the predatory system that led to collapse in the first instance. They are interested in the transactional aspect of investment where they can make money rather than in the development value of the inflows. The Democratic Republic of the Congo comes to mind, while there is little difference in this regard between the Belgians, Mobutu, and the two Kabilas.

Somalia is probably the best—or worst—example of this sort of extractive political economy. Along the southern coast today, especially around Kismayo and Brava, are large stocks of charcoal for export to the Gulf states. Charcoal, made largely from acacia trees in that region, is the epitome of a low-value, low-calorific, environmentally unsustainable, low-value-addition, rent-seeking, and low-technology commodity. Yet faced with few options, production of charcoal has steadily increased (for example, from 110,000 metric tons in 2000 to 150,000 metric tons 5 years later, with less than 15 percent for local use).

It also provides a key source of income for Islamic militias such as al-Shabaab.

Such a “charcoal rate of growth” offers little—actually zero—prospect for long-term national development. At best it will make a few individuals richer and enable a few subnational communities to survive. It is obviously a lousy formula for widespread economic growth and prosperity.

Fixing such economies is difficult. As with Zimbabwe, not only does economic improvement demand straightening out the macroeconomic situation, an often delicate task given the vested interests some have in keeping things in these places as unstable as they mostly are, but it also requires giving the locals a stake in change, even though they might not have the capacity to carry out this change themselves. It means fixing these economies in the very state structures that gave rise to these crises in the first instance. Changing local politics from being predatory to productive additionally requires donors getting tougher in changing the incentive structure. All this has to be managed in an environment where, in the wake of Afghanistan and Iraq combined with the global economic crisis, there is a reduced supply of the necessary money, people, and time.

The future of peace-building thus looks increasingly local because that is both a cheaper option and peace should matter most to the regions in which these conflicts occur. Briefly, Africa should expect, à la Somalia and Darfur, to do more alone and get better at it, including the economic dimension.

A focus on the fundamentals is necessary in those countries emerging from periods of conflict: Côte d’Ivoire, Zimbabwe, Liberia, Sierra Leone, Congo, Burundi, Somalia and Somaliland, and Afghanistan, for example.

The establishment of national peace through negotiated agreements, reconciliation processes, and elections in these environments has to parallel the pursuit of local human security, enabling citizens to go about their lives and seek livelihoods free from fear. Likewise, restoring the basic drivers of growth (including commodities and agriculture) and their facilitating aspects (including macroeconomic stability, ensuring macroeconomic sensibility, and providing infrastructure) is the next stage. Ultimately, when moving from short-term stability to development there is an overall challenge to change the country's operating system and political economy from one based on elite-driven interests characterized by consumption rather than longer term investment toward a more inclusive system, even though this may not necessarily be a short-term elite preference. This is a special quandary for donors and other external agents as they seek to change the incentive structure that contributed to conflict in the first instance. Such is the stabilization dilemma. **PRISM**

Notes

¹ This article is, in part, based on interviews conducted in Côte d'Ivoire during February 2012 and in Afghanistan in 2010 while the author was deployed with the International Security Assistance Force (ISAF) in Kandahar, Helmand, and Kabul.

² Interview, ISAF Headquarters, Kabul, May 1, 2010.

³ According to the Ministry of Agriculture in Kabul, international funding to its sector in 2010 alone was over \$2 billion, with the U.S. Agency for International Development (\$789 million), U.S. Department of Agriculture (\$151 million), and the United Kingdom's Department for International Development (£50 million) as the main donors.

⁴ Interview, Kabul, May 1, 2010.

⁵ Discussion, May 3, 2010.

⁶ Simon Rogers and Claire Provost, "Corruption Index 2011 from Transparency International: Find Out How Countries Compare," *The Guardian*, December 1, 2011, available at <www.guardian.co.uk/news/datablog/2011/dec/01/corruption-index-2011-transparency-international>.

⁷ For a breakdown of these militias, see Safer Access, "A Summary of Armed Groups and Political Parties in Côte d'Ivoire," January 17, 2007, available at <www.humansecuritygateway.com/documents/SAFERACCESS_armedgroupspolpartiesCôteDIvoire.pdf>.

⁸ Konrad Adenauer Stiftung and the Brenthurst Foundation, "The South Sudan Precedent: Maintaining African Stability and Comity in a Time of Transition," conference paper, Cadenabbia, Italy, September 4–7, 2011.

⁹ Discussion, ISAF Headquarters, Kabul, September 2010.

¹⁰ Lieutenant General Nicholas Carter, interviewed for Brenthurst Foundation documentary *Tswalu Dialogue on the Future of Stability Operations* (Johannesburg, South Africa: Brenthurst Foundation, January 2011).

¹¹ Discussion, Minister of Planning, Hargeisa, Somaliland, June 2011.