

MICROCON Policy Briefing 4

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Pakistani peacekeepers in Mogadishu, Somalia © ctsnow

•Why are peace agreements often so shortlived?

•What determines the effectiveness of international peacemaking assistance?

Social Contracts, Civil Conflicts and International Peacemaking

Summary: The regularity with which peace deals break down and civil wars resume is well established. This briefing looks at the factors that drive violent conflicts, and the factors that may undermine peace deals, including those brokered and supported by international third parties. For peace to last, agreements must be viable, credible and enforceable, and the commitment of donors must not be in doubt. For these conditions to be in place, conflict resolution must be in donors' interests.

1. Introduction

Much of the recent economics literature on conflict has looked at the microeconomic underpinnings of the origins and resolution of conflicts. It has begun to get beyond the dichotomy of 'greed' and 'grievance' as alternative causes of conflict, and now tends to look at how the two factors co-exist, and at the relation between them.

At the centre of many theoretical approaches is the idea of the breakdown of an agreement between groups, which we call a 'social contract'. This refers to a framework

that governs the allocation of resources, including natural resource income and the peaceful settlement of grievances. If viable, credible and enforceable, this social contract can restrain opportunistic behaviour such as large-scale theft of resources and the violent expression of grievance.

Such contracts can be horizontal or vertical; they must be self-enforcing with no incentives to deviate from them; and they must be held together by a well-functioning government and peaceful economic exchange.

A related concept, when looking at the effects of conflict, is that of state capacity to collect taxes, enforce contracts and promote legal markets. The idea that the level of state capacity determines the incidence of conflict has recently been challenged. Some argue that the prospects of different types of conflict, internal and external, have different impacts on government incentives to invest in state capacity. For example, in resource rich countries prospects of future conflict may result in increasing resource extraction. This may be used to finance the military, increase the elite's gains or diversify the economy and deliver



US soldiers on Operation Restore Hope in Somalia, 1992 © John Martinez Pavliga

public goods to buy peace. The preferred outcome will depend on the survival function of those in power and rebels' opportunity and incentives to appropriate gains (Brunnschweiler and Bulte 2007).

The four main channels of conflict generation

The literature outlines four main channels of conflict generation:

- (i) Breakdown of revenue agreements between those in power and various stakeholders, which can produce greed and grievance. Greed and grievance can also lead to the breakdown of the social contract.
- (ii) Growth failure, and/or failure to redistribute in a perceived 'fair' manner gains from economic

Subsequent levels of conflict can often be higher than before failed peace agreements

economic growth in resource rich countries or middle-income countries.

(iii) The individual incentives faced by rulers that may or may not cause them to promote development, 'modernisation' and peace – especially in situations where the separation of powers and the sources of power are inherently unstable

(iv) Interaction of these domestic factors with external events and actors. In the Cold War period the West provided finance and ideological succour to certain elites and

rebels. This often led to the accumulation of grievances within the context of a disintegrating social contract, and a state perceived to exercise favouritism in public spending and taxation. It also increased greed based motives for controlling natural resources far from the central government powerhouse. However, external players can also enhance peace through peace talks, aid, debt relief, economic sanctions, peacekeeping interventions and internationally sponsored courts prosecuting human rights violations. These measures will be effective as long as they are credible in making it costly for local factions to renege from peace deals. The shape and cost of the peace enhancing 'technology' matter for the effectiveness of external interventions.

The break down of peace deals

Peace agreements amongst warring factions in contemporary developing-country civil wars are often not 'self-enforcing' – they can be undermined by the lure of valuable resource rents and/or longstanding grievances. There are several reasons why they may break down:

- (i) Differences may be intractable, making peace impossible without outright military victory, or an outside party changing the incentive structure of the conflict.
- (ii) One party may have such a bad reputation that they cannot credibly commit to peace even if they want to, and there may be no institutions upon which to anchor genuine commitments to peace.
- (iii) Information may be imperfect: the presence of lootable resource rents may make it difficult to

see through avaricious intent

(iv) Discounting for future costs of renegeing: one side may renege in order to satisfy its current impatience to consume.

Third party enforcement of peace deals

In order to counter these factors, third party enforcement of peace deals is often required, for example through peacekeeping forces, arms controls, trade restrictions (e.g. blood diamond embargoes) and foreign aid – 'commitment technologies'. Trade sanctions can be used by a foreign power to reduce greedy attitudes by governments or rebels. International controls on arms transfers or financing from non-residents can raise the cost of war.

Third parties can also establish international agreements that work on intrinsic grievances, provide a 'peace dividend', and hold out a forceful sanction in the event of deviation from agreements. To be party to such an agreement implies a strategic pre-commitment to peace by delegation to a treaty or outside adjudicator. However, such agreements will only work if the commitment of the third party is perceived to be genuine. If the level of force and development aid are considered inadequate and thus little more than 'cheap talk', they will be a complete failure. The subsequent levels of conflict can often be higher than they were before the failed peace agreement.

We can find an example of this in Rwanda. In 1993, after two-and-a-half years of civil war, the Rwandan President, Major-General J. Habyarimana signed a peace agreement with his opponents, the Rwandan Patriotic Front (RPF) in the Tanzanian town of Arusha. He signed under immense pressure from donors,

the domestic opposition and the military threat of the rebel force. Western donors were heavily engaged in the entire peace process, including military support and promises of financial aid. With the economy in subsistence mode, coffee prices down and crop failure hurting the population, the regime was struggling to survive.

But one may ask: were the president and rebel army (RPF) genuinely committed to peace? The answer must be no. In a speech before his supporters, the president called the agreement 'just a scrap of paper'. A group of officers and leading administrators from the president's inner circle were organizing small-scale massacres of Tutsi far from the frontline in which a total of 2,000 people were killed (FIDH 1993) and the presidential clan set up a hate radio station (Radio des Mille Collines) that vehemently attacked the peace agreement and the Rwandan Patriotic Front (RPF). In reality, the ruling elite around Habyarimana was used to ruling the

lapsed.

The external sponsors of peace deals

The commitment technologies outlined above are the result of external intervention, and as such they involve costs to outside parties. It therefore makes sense to consider the benefits of commitment technologies to outside sponsors, and why they would be likely to provide sufficient resources to secure and effective peace deal or not. The idea here is that the sponsor or financier of peacekeeping derives some benefit from peace in other parts of the world due to security considerations (such as reduction in terrorism or refugee influxes), humanitarian considerations or because promoting peace enhances the sponsor's international prestige.

When conflicts are far away from the developed world, supporting successful peace deals tends to cost donor countries more, and to yield fewer benefits. The sanctions and

Supporting peace deals in far away places costs donor countries more, and yields them fewer benefits

country on their own, and had no long-term interest in sharing power with the RPF. Even sharing power with the domestic Hutu opposition was only accomplished after intense pressure from within and outside the country. The campaign of hate ultimately ended in genocide that cost the lives of at least 500,000 Tutsi people. The Rwandan Patriotic Front on their part repeatedly engaged in surprise attacks (January 1991, February 1993) which cast doubts on their commitment to peace as well. With a weak mandate to enforce the peace, the small and under-equipped UN contingent tragically failed to prevent violence as soon as the peace agreement col-

lapsed. benefits cost more to implement due to factors such as endemic poverty and lack of infrastructure. There is also less incentive to pay such costs, as the benefits to Western taxpayers are less, compared to conflicts that are closer to home.

For instance, in the Balkans there are well-resourced, high-quality and adequately mandated peacekeepers. Up to 100,000 peacekeepers were deployed to Kosovo at any one time. However, despite the talk of the need to end civil wars in Africa, weak and ineffectual forces tend to be deployed there – for instance there are only 16,000 troops deployed in the Democratic Republic

of Congo, a state the size of Western Europe. This means that peace deals in such places are unlikely to succeed. Underlying this reluctance to pay is the fact that peace, stability and progress are global public goods whose costs are borne only by donors' taxpayers. In a context of conflicting donors' interests, it is unsurprising that provision is concentrated there where global benefits are more easily captured by taxpayers.

The role of diasporas

Finally, it is important to consider the role of diaspora groups in providing finance to armed groups. Such diasporas often bear the same historical grievances as domestic rebels, but they do not benefit from the 'peace dividends' provided by



An armoured personnel carrier of the UN peacekeeping force in Kosovo © M Eriksson

the government or outside donors. This introduces a trade-off in the gains associated with peace and war for rebels, as they may have to choose between the diaspora funding and the proceeds of peace. Diasporas may 'buy' war through money, arms trafficking or lobby-

lobbying for international support, which may explain why conflicts persist over time even when resources are mobilised to compensate for domestic rebels' grievances.

Conclusion

If the cost of effective commitment technologies is too high, or they yield little security benefit to the donor, as is likely to be the case for conflicts in distant lands, there is often under-resourcing of agreements. This makes it more likely that they are really little more than 'cheap talk'. Perhaps, that is why we do not see a speedy end to many civil wars in Africa.

In the ultimate analysis, credible commitments to peace must be found in effective domestic solutions that involve constitutional restraints and delegation of power. As argued by Rothchild (2005), mechanisms leading to the separation of powers, and where decisions on different issues are taken by diversely constituted bodies, may prove the most durable solution for sustaining the peace. Quick-fix power sharing arrangements between warring parties must be considered only as a solution for the short term.

Credits

This Policy Briefing was written by Mansoob Murshed, Institute of Social Studies, The Hague, and University of Birmingham, UK.

It is principally based on the findings of MICROCON Research Working Paper 8 (see opposite).

The views expressed in this briefing are the author's alone.

Further reading

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MICROCON, or 'A Micro Level Analysis of Violent Conflict' is a five-year research programme funded by the European Commission, which takes an innovative micro level, multidisciplinary approach to the study of the conflict cycle.

Almost one third of the world's population lives in conflict-affected low-income countries. At a fundamental level, conflict originates from people's behaviour and how they interact with society and their environment - from its 'micro' foundations. Yet most conflict research and policy focuses on 'macro' perspectives. MICROCON seeks to redress this balance.

For more information on MICROCON, please visit our website:

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