Preventing deadly conflict in divided societies in Asia: the role of local NGOs
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IV. Social and economic causes and consequences of deadly conflict

4.1 Breaking the Conflict Trap

Lack of economic development as key cause of deadly conflict

In the late 1990s the World Bank Group launched a research programme to study the economics of civil war, crime and violence. The programme produced several papers (e.g., Collier, 1999; Collier, 2000; Collier and Hoeffler, 2002) that form the basis of the comprehensive study entitled “Breaking the Conflict Trap: Civil War and Development Policy” (Collier et al., 2003). The research meant to ‘answer the question why the World Bank should focus on civil war’ and confirmed that the consequences of civil war are devastating for countries. Violent conflict is development in reverse that affects primarily civilians in marginalized developing countries and therefore legitimates a key role for the international community in conflict prevention. Development aid could be an effective instrument to prevent violent conflict. Civil war is not so much a challenge to development, but is better perceived as a failure of development. Hence, the Conflict Trap postulates that the global incidence of civil conflict is high because the international community has done little to avert it—a decision that is grounded in two wrong beliefs: let them fight it out and nothing can be done (Collier, 2003, p. ix-xi, p.1 – 3)

Collier posits that civil wars typically create “a persisting legacy of poverty and misery.” They destroy critical infrastructure, investor confidence and social capital; they displace people and make diseases such as HIV/AIDS and malaria thrive among military personnel and displaced and vulnerable populations. Moreover, civil war undermines the economy and budgets are shifted from productive investments to military expenditure. These effects cripple the ability of already marginalized countries to develop and create a ‘conflict trap’ in which countries repeatedly fall back into deadly conflict, despite attempts to escape. At the regional level, civil wars create destabilizing neighbourhood effects. Globally, civil wars contribute to illegal trade in drugs and arms, a loss of investors’ confidence in the South and put war-torn countries at risk of becoming recruiting grounds for international terrorist networks.

The principal drivers of civil war identified by the study are low economic growth, dependence on natural resource exports, and prior deadly conflicts. Countries with low, stagnant, and unequally distributed per capita incomes, which remain dependent on primary commodities for their exports, face dangerously high risks of prolonged conflict. In the absence of economic development neither good political institutions, nor ethnic and religious homogeneity, nor high military spending provide significant defences against large-scale violence. The authors argue that the relationship between ethnicity and conflict is more complicated than commonly acknowledged and present evidence that countries with high levels of ethnic and religious heterogeneity are actually less likely to experience bloodshed than homogenous countries, unless one group holds an absolute majority over several smaller groups or a society is split into two equal but polarized identity groups. The study’s recommendations largely focus on addressing the economic roots of civil war to minimize destabilizing effects of dependence on natural resources and include promote economic diversification, combat corruption, enhance political reform, reduce excessive military spending and restrict the ability of rebel groups to profit from natural resources. Moreover, the study promotes greater transparency and enhanced international scrutiny of the natural resource revenue streams and politics of countries at risk of conflict.

The study was well received, but criticism was voiced too, which centres around four issues. First the study’s evidence is largely based on extensive statistical analyses and bases far reaching conclusions on moderate correlations. Second, much emphasis is placed on the dependence on
natural resources as a cause of deadly conflict as it makes countries more vulnerable to external price shocks and provides an impetus for rebel movements to seek secession and/or find financial backing for their operations. All natural resources are lumped together in this study but natural resources have different characteristics and potential for conflict. For example, valuable resources like minerals and timber, which because they are geographically concentrated and governments typically own or otherwise control, are much more likely to produce so-called 'resource curses' than more diffuse resources such as cropland or freshwater. Third, the study views greed as the principal motivation underlying natural resources' role in civil war. Although Collier emphasizes that civil wars arise from a combination of greed and grievance, no study was made of the link between natural resources and grievances. Kahn (2003), on the other hand, argues that significant case study evidence shows that environmental degradation and economic dislocations caused by unsustainable resource extraction often led to greater support for rebel organisations. He recommends that conflict prevention policies should include methods to prevent or mitigate causes and harmful side effects of natural resource exploitation.

Lastly, 'Breaking the Conflict Trap' suffers from a so-called "bottom-up" bias: Collier assumes that the three major risk factors associated with civil war (poor economic conditions, natural resource dependence and prior conflict) all direct violence upwards toward the government or sideways toward other groups. However, while conflicts may play out this way; often deadly conflict or large-scale violence is initiated or exacerbated by threatened political leaders who instigate bloodshed between social groups to preserve or expand their political power. The human security and human rights dimension of conflict prevention is totally overlooked. The very risk factors identified by Collier could moreover threaten the viability of a regime and trigger more top-down conflict, but this possibility is largely ignored too. Kahn therefore recommends that a very different mix of policies will be required to prevent States from instigating conflict. Moreover, some rebellions may be justifiable responses to repressive regimes and policies designed to suppress potential rebellions may strengthen the hands of ruthless leaders, leading to greater hardship and more armed resistance in the long run.

These limitations of the Conflict Trap analysis is probably related to the particular mandate of the World Bank\(^4\), which prevents the Bank from addressing domestic political matters and obliges it to work principally for the benefit of its member governments. It may explain why there is little attention in this hefty report for the role of civil society and track two diplomacy; the only non-state local initiatives mentioned in the study are the rebel groups and one implicit recommendation for a 'package of complementary solutions'. The failure to disclose the World Bank's operational limitations makes the opening preamble of the report rather presumptuous:

"Most people think that they already know the root causes of civil war. Those on the political right tend to assume that it is due to long-standing ethnic and religious hatreds, those in the political center tend to assume that it is due to a lack of democracy and that violence occurs where opportunities for the peaceful resolution of political disputes are lacking, and those on the

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\(^4\) The Bank is guided by the following principles in undertaking any activity under this [Development Cooperation and Conflict] policy:

a. The Bank is an international organization with a mandate, defined in its Articles of Agreement, to finance and facilitate the reconstruction and development of its member (...) In view of its mandate, the Bank does not engage in peacemaking or peacekeeping, which are functions of the United Nations and certain regional organisations (...)  
b. The Bank's Articles of Agreement explicitly prohibit the Bank from interfering in the domestic affairs of a member or from questioning the political character of a member; only economic considerations are relevant to the Bank's decisions. Thus, the Bank does not operate in the territory of a member without the approval of that member. Its intervention may take place at the request of the government in power (...)  
c. Finally, under the Bank's Articles, its resources and facilities may be used only for the benefit of its members."  

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political left tend to assume that it is due to economic inequalities or a deep-rooted legacy of colonialism. None of these explanations fits comfortably with the statistical evidence. Empirically, the most striking pattern is that civil war is heavily concentrated in the poorest countries. War causes poverty, but the more important reason for concentration is that poverty increases the likelihood of civil war. Thus our central argument can be stated briefly: the key root cause of conflict is the failure of economic development. "(Collier, 2003, p.53)

The Conflict Trap recommendations are meant to guide future multilateral conflict prevention interventions and could have policy implications for inclusion of key stakeholders. In this respect, the Conflict Trap’s conclusions seem to contradict official World Bank policies on conflict assessment, prevention and engaging civil society in its work.

"The Bank’s contribution to conflict prevention is two-fold. It supports strategies and activities that aim at making countries more resilient to the eruption and escalation of violent conflict, and programs that address the sources of conflict. Building resilience to violent conflict involves the strengthening of participatory and inclusive social processes and institutions that may help manage conflicts in non-violent ways."46

The World Bank strategy to “building resilience and strengthening inclusive, participatory social processes and institutions” underwrites the importance of the role of civil society in conflict prevention. The ‘Promoting Enabling Legal Environments for Civic Engagement’ project states the Bank’s “continuing recognition of the significance of civil society contribution to development, and the corresponding need to help create opportunities for more effective civic engagement.” Civil society organisations (CSOs) are seen as important actors in the building of necessary social consensus for economic reforms and long-term development, in fostering transparency and accountability of public institutions (including combating corruption and ensuring poverty-focus of the budget), and in the efforts to fight inequality and exclusion.50

Greed or Grievance: economic motives behind minorities’ quest for justice

Collier’s economic development conflict argumentation needs closer examination, to complement the analysis on political, social and cultural cleavages and grievances of the previous chapter. Economic and social costs of civil war are devastating to any country, but especially to marginalized countries, which are statistically at a 15 times higher risk of getting involved in armed civil conflict than OECD countries. The “Conflict Trap” identifies seven main conflict related problems: large flows of refugees and internally displaced people, increased military expenditures, reduced per capita income (an average of 15%), flight of capital and Diaspora, destruction of infrastructure, loss of life and a reverse economic development trend. Collier makes a convincing case that the old attitude of “let them fight it out among themselves” gives a “license to a few thousand combatants and a few dozen of their leaders to inflict widespread misery on millions of others.”

Lack of economic development is also tied to the greed motivating rebel movements. The report explains the appeal of the “entrepreneurs of violence” to the poor masses as follows:

“Low and declining incomes, badly distributed, created pools of impoverished and disaffected young men who can be cheaply recruited by ‘entrepreneurs of violence.’ In such conditions the

50 The document continues to explain that: “Indeed an “enabling environment” for civic engagement is understood to mean the set of inter-related conditions—such as legal, bureaucratic, fiscal, informational, political, and cultural—that impact on the capacity of NGOs and other civil society organisations to engage in development processes in a sustained and effective manner, whether at the level of policies, programs, or projects.” Source: World Bank NGO Unit, Promoting Enabling Legal Environments For Civic Engagement, A Project Of The NGO Unit, not dated, p.1-2.
State is also likely to be weak, non-democratic and incompetent, offering little impediment to the escalation of rebel violence, and maybe even inadvertently provoking it. (...) Disputes often fall along ethnic and religious divisions, but they are much more likely to turn violent in countries with low and declining incomes.” (Collier, 2000, p.4).

Collier concludes the prospect of financial gain is seldom the primary motivation for rebellion, but it can be a satisfactory way of life and hence make civil wars last longer. Global changes in information and transportation technologies have made civil wars easier to sustain by allowing rebel groups to raise finance and acquire armaments more easily. Collier’s data analysis furthermore suggests that international third party intervention through diplomatic, military and economic means have been unsuccessful. Hence, marginalized countries land in the conflict trap: over half of all civil wars resume within five years, while the countries are still struggling to overcome the severe economic and social decline of the past conflict, a process that usually takes one or two decades.

Collier and Hoeffler’s “Greed and Grievance in Civil War” and Elbadawi and Sambanis’ “How much war will we see?” were both published as World Bank policy research working papers in 2001. They provided sophisticated statistical analyses and aggregated presentations in which, unlike in MAR data, individual country and rebel group scores cannot be traced. They concluded that grievance often united rebels, but greed (economic viability) commonly drives rebel movements to enter or prolong deadly conflict.

“Rebellion may be explained by atypical severe grievances, such as high inequality, a lack of rights or ethnic and religious division in society. Alternatively, it might be explained by atypical opportunities for building a rebel organisation. Opportunity may be determined by access to finance, such as the scope for extortion of natural resources, and for donations from a Diaspora population. Opportunity may also depend upon factors such as geography: mountains and forests may be needed to incubate rebellion, we test these explanations and find that opportunity provides considerably more explanatory power than grievance. Economic viability appears to be the predominant systematic explanation of rebellion.” (Collier et al, 2001)

The Conflict Trap characterises armed rebel movements as organisations that typically have between 500 and 5,000 members. Rebellion thrives on group grievances and rebel leaders to form a “plausible and legitimate smokescreen for less reputable agendas” to promote ethnic grievances. Most successful rebel organisations now rely substantially on resources generated from business interests maintained alongside military and political operations. These businesses are mostly involved with exploitation of natural resources with high economic returns (e.g., gems, drugs). Rebel military organisations face severe difficulties in maintaining cohesion and, in response, they become hierarchical structures and confine recruitment to a single ethnic group. A group’s main energies may be devoted to a power struggle within the ethnic group and a common strategy is to assassinate moderate political leaders of the interests it purports to represent. Political and ethnic agendas piggyback onto ‘what is basically an attempt to expropriate resources.’ (Collier, 2003, p.63) Rebellion is persistent because governments cannot afford to give in to violence and even if they are willing to concede to rebel demands, they may not have credible means of committing to the agreement. Rebellions have gradually changed their character, becoming less political and more commercial. Collier names rebel groups “violence entrepreneurs”, who whether primarily political or commercial, may gain from war to such an extent that they cannot credibly be compensated in a peace agreement.
Table 12 Collier’s comparison of political and armed opposition group characteristics

<table>
<thead>
<tr>
<th>Opposition movements</th>
<th>Political</th>
<th>Military (armed groups)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Democratic</td>
<td>Hierarchical, charismatic leaders</td>
</tr>
<tr>
<td>Management style</td>
<td>Participatory</td>
<td>Highly disciplined, punishment for dissent</td>
</tr>
<tr>
<td>Personnel</td>
<td>Voluntary, part-time</td>
<td>Combatants on payroll, full time</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Basic</td>
<td>Expensive equipment, diverse skills required</td>
</tr>
<tr>
<td>Nature of activities</td>
<td>Political</td>
<td>Political, military, business (finance operations)</td>
</tr>
</tbody>
</table>

However, Collier’s description of present day rebel movements is not directly applicable to the armed minority groups in the four case countries. Though the MAR study found that many Asian minority groups opt for rebellion and Collier confirms that Asia has persistently had the highest incidence of civil war, there is only one rebel group that meets Collier’s criteria: the Liberation Tigers of Tamil Eelam in Sri Lanka. The other armed groups that match the required size and professional degree of military organisations, like the GAM in Aceh and the Kachin and Karen National Armies are neither launched by neighbouring country governments to create havoc nor do they benefit structurally from illegal natural resource exploitation to fund their operations. The Diaspora from Cambodia did not aim to build strong domestic resistance movement, but was effective in pressuring the French, US and UN in the late eighties to end the economic blockade and initiate a political transition process.

Deadly conflict risk factors examined and applied

To comprehend why the analysis does not hold in the four case countries, thirteen deadly risk factors identified by the Conflict Trap report are reviewed below:

1. Failure of economic development

Civil war occurs almost exclusively in marginalised countries with low, stagnant and unequally distributed per capita incomes that have been in economic decline remain dependent on natural resources and primary commodities for their export revenue and with a history of poor political institutions and often high military spending. (p.53 and 126)

2. Neighbour effects

There are four main spill-over effects: 1) the flow of refugees destabilises border areas and increases the risk for spread of infectious diseases; 2) the regional economic impact creates transportation difficulties, reduces cross border trading opportunities, and affects the regional image and reduces (foreign) business investments; 3) military budgets in this context increase by at least 2 percent; while 4) the regional illegal arms and drugs trafficking spiral out of control. (p.34)

3. Existence of a majority ethnic group

Statistics show that substantial ethnic and religious diversity significantly reduces the risk of civil war. Although ethnically more diverse societies are commonly seen as fragmented, ethnicity does provide an effective basis for social networks. Therefore diverse societies may be less atomistic than homogenous countries. Limited ethnic differentiation however can be a problem. If the largest ethnic group in a multi-ethnic society forms an absolute majority (between 45 and 90 percent of the population), the risk of rebellion is increased by approximately 50 percent. (p.57)

4. Past histories of civil wars

Once a society has had a civil war, its risk of rebellion goes up sharply. A typical country at the end of a civil war has 44 percent chance of returning to deadly conflict within the next five years. This risk fades at about one percentage point a year. (p.58 and 83)

5. Natural resources/regional secession movements

Statistically, secessionist rebellions are considerably more likely if the country has valuable natural resources, with oil being particularly potent. (p.60)
6. Partial democracy and durability of democratic institutions
In line with the Peace and Conflict Ledger, Collier’s statistics show that autocracies are apparently as safe as full democracies, with ‘partial democracies’ at a higher risk. The average duration of a democratic political system in a low-income country is only nine years. (p.64)

7. Colonial legacies
Colonial legacy does appear to be highly significant in accounting for differences in recent growth performance, but has no significant explanatory power in relation to either the risk or duration of the conflict (The two measures commonly used to measure colonial legacies are inequality of household incomes and inequality in the ownership of land). (p.66)

8. Military viability (geography)
Countries with sparsely populated rural areas are at higher risk of rebellion. Also, some evidence suggests that rebellion is more likely in countries with extensive mountainous terrain. (p.71)

9. Government’s capacity to deter rebel movements
As Gurr highlighted, deterring rebellion in its early stages requires an effective local government and a willingness to share information on the part of the population. Collier adds that rebel movements typically kill people they suspect of being informants, making it hard for citizens to provide rebel information to the State, also knowing there is little State security provided. (p.72)

10. Existing rebel business interests
Armed conflict is expensive and rebel movements need to generate income to pursue their cause. Collier identifies two main sources of income: donations (from Diaspora or foreign nations) and business interest, e.g., mining, drugs (coca and opium), kidnapping and arms smuggling. Collier concludes that “loot is not usually the root motivation for conflict, but it may become critical to its perpetuation, giving rise to the conflict trap”. Business interests have made sustaining conflict easier, because rebel groups generate revenues without support from foreign powers. (p.79-82)

11. Diasporas
War triggers a rather persistent emigration of the higher skilled work force. Once one group has left, chain migration follows, which can create a large Diaspora living in rich countries. The risk of Diasporas to increase the chances of repeated conflict is through their inclination to finance extremist organisations in the home countries either by choice or by force. (p.84)

12. Legacy of past violent conflict atrocities (killings and property loss)
Collier calculated that on average about half of the risk of repeat conflict is explained by characteristics present before the conflict started. The other half is due to events that happened during the conflict that have disturbed the balance of assets in the society (loss of property). The legacy of atrocities and killings built up hatreds and the need for vengeance. (p.88)

13. Post Cold War newly independent countries
The end of the Cold War neither increased nor decreased the risk of rebellion. But it did result in a surge of newly independent countries with a much higher risk of conflict than other countries because they combine a number of risk factors: low income, weak institutions and colonial legacy. (p.160)

Applying Collier’s criteria to the four case countries provides a mixed picture. Six of the thirteen indicators score low (one or no score): failed economic development, neighbour effects, partial democracy, colonial legacies, military viability, rebel business interest, and newly independent countries. There is only one factor that scores in all four countries, the legacy of past atrocities, which has a direct connection with the trust in the authority’s capacity and willingness to mediate and redress the consequences of deadly conflict in their societies. The colonial legacies and inability to deter rebel movement score three times, because colonial powers advanced certain minority groups over others (SRL) or because minority groups were not given promised autonomous status upon the end of the liberation struggle and independence (IDO and MYM).
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Table 13 Applying Collier’s risk factors to the four case countries

<table>
<thead>
<tr>
<th>Risk factors per country</th>
<th>CAM</th>
<th>SRL</th>
<th>IDO</th>
<th>MYM</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failed economic development&lt;sup&gt;51&lt;/sup&gt;</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>1/3</td>
</tr>
<tr>
<td>Neighbour effects</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>1/3</td>
</tr>
<tr>
<td>Majority ethnic group (45-90%)&lt;sup&gt;52&lt;/sup&gt;</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>2/2</td>
</tr>
<tr>
<td>Past history of civil wars</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>2/2</td>
</tr>
<tr>
<td>Regional concentration of natural resources</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>3/1</td>
</tr>
<tr>
<td>Partial democracy/ durability of institutions</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>1/3</td>
</tr>
<tr>
<td>Colonial legacies</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>3/1</td>
</tr>
<tr>
<td>Limited military viability&lt;sup&gt;53&lt;/sup&gt;</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>1/3</td>
</tr>
<tr>
<td>Government’s inability to deter rebel groups</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>3/1</td>
</tr>
<tr>
<td>Rebel business interests</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>1/3</td>
</tr>
<tr>
<td>Diaspora</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>2/2</td>
</tr>
<tr>
<td>Legacy of past atrocities</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>4/0</td>
</tr>
<tr>
<td>Newly independent countries</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>0/4</td>
</tr>
<tr>
<td>Total</td>
<td>6Y7N</td>
<td>5V8N</td>
<td>3Y10N</td>
<td>6Y7N</td>
<td>21Yes/31No</td>
</tr>
</tbody>
</table>

The remaining four indicators (majority ethnic group, past civil war, natural resources, and Diaspora) have each two or three scores, but do not show much inter-correlation in the scores for the four countries. For example, the majority ethnic group indicator does not score consistently with the history of civil war or with the colonial legacy indicator. Another example is that despite the lack of ability to deter them, the rebel movements did not acquire major business interests that made them self-sustainable in Cambodia, Indonesia and Myanmar, except in the geographically least likely of all: Sri Lanka.

Table 14 Additional conflict risk factors

<table>
<thead>
<tr>
<th>Risk factors per country</th>
<th>CAM</th>
<th>SRL</th>
<th>IDO</th>
<th>MYM</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>High value natural resource: (oil/gem/timber/drugs)&lt;sup&gt;54&lt;/sup&gt;</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>3/1</td>
</tr>
<tr>
<td>Unsustainable resources exploitation (eco-violence)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>3/1</td>
</tr>
<tr>
<td>Top-down violence (State/elite conflict manipulations)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>4/0</td>
</tr>
<tr>
<td>Total</td>
<td>3Y</td>
<td>1Y2N</td>
<td>3Y</td>
<td>3Y</td>
<td>10Yes/2No</td>
</tr>
</tbody>
</table>

Adding the three omissions mentioned in chapter 4.1 as additional indicators provides some additional insight. Table 14 shows that the Sri Lankan Tamil conflict is distinctly different from the others. As a small country without major physical barriers and lower value natural resources, it seems to suffer less directly from illicit natural resource exploitation, but it is considered to be more likely to engage in rebel movements. Surprisingly, the LTTE did manage under these unfavourable circumstances to develop into a highly professional militant insurgent group with deeply vested business interests around the world, fuelled by free or forced contributions from a global Diaspora that is reluctant to return home after 19 years of civil war. As the analysis of risk factors for the four countries does not provide a consistent scoring pattern, and further study would be required to determine why the conflict variables are country specific and whether there are other factors not covered by Collier’s that explain deadly conflict in Asia more accurately.

<sup>51</sup> The economy shows signs of failure due to prolonged conflict in Myanmar, Sri Lanka and Indonesia, but at the start of the conflict only Cambodia had a prolonged poor economic performance record and wide spread absolute poverty.

<sup>52</sup> CAM: Khmer 89%, SRL: Singhales e 77%, IDO: Javanes e 34%, MYM: Burman 66%

<sup>53</sup> Mixed scores: 80% of the population lives in rural areas and military structures are highly decentralized and well organized in all case countries. Therefore only Myanmar’s score is positive.

<sup>54</sup> Highly valued natural resources: gems, timber and drugs in CAM; all three in MYM, oil, gems and timber in IDO.
4.2 Preventing the Next Wave of Conflict

In response to 9/11, another comprehensive conflict prevention research project was launched by the Woodrow Wilson International Center for Scholars in 2002. Fifty renowned North America based scholars and practitioners studied in five working groups over a period of one year how the next wave of conflict could be prevented and how non-traditional threats to global stability could be better understood and remedied. The release of the final report in October 2003 coincided with the announcement of a new partnership between the Wilson Center and the United States Agency for International Development (USAID) to explore the connections between conflict prevention and development assistance. The study focused on non-traditional threats to the national security of the United States and sought insights in the ways in which national security and global stability are compromised by six trends: economic and social disparities, failures in political and economic governance, demographic trends, environmental degradation and natural resource shortages, and health crises. This report was studied to identify additional conflict risk indicators and to review the recommendations on the role of non-state actors, particularly NGOs, in preventing violent conflicts. Although no additional conflict indicators were found, the conclusions of the study review are summarized here, because they reflect current thinking on conflict prevention.

WWIC assumes that conflict and instability are increasingly driven by non-traditional factors like failures in governance, health crises and environmental degradation. The impact on security of most non-traditional threats is still indirect, but there is an increasing risk of broad instability. Local economic stagnation, environmental degradation, demographic shifts, urbanisation, failures in governance and declining health status are all resulting in increasing pressure on governments around the world. More sophisticated and frequent international exchange of information and communication raises awareness of global disparities in income and influence and increases the ability to ferment and sustain disputes through the infusion of funds and ideas. To reverse the trend to instability, a broader appreciation of the opportunities that exist is needed. To work proactively fending off non-traditional threats to security could shift the nature of the relationship between North and South, the report posits. Such a shift to a culture of prevention will have to be accompanied by boarder recognition of the fundamental importance of development assistance to foreign and national security, and the need to build the conflict prevention capacity. Fundamental interdependence of programmes to promote democracy and economic growth must be recognised.

Economic restructuring efforts need to more explicitly aim at reducing disparities in income. Finally, any effort to combat non-traditional threats will require greater willingness and ability to work with and through multilateral organisations.

The working group proceedings on economic and social disparities and on political and economic governance provide five interesting conclusions that complement the World Bank and MAR studies. The “Next Wave” looked into the impact of increased economic openness of countries as part of the globalisation process and concluded that in general it leads to higher GNP per annum growth figures but it did not reduce inequality. On the contrary: inequality in income increased in 70% of the 53 research countries. While unemployment rose substantially in all researched countries because the economic expansion could not keep up with the population growth. New information technology is heavily biased towards the North, where 80% of the online connections are situated. This widens the already worrying gap in access to resources and information, as the Internet is becoming a major source of trade and knowledge. One third of the world’s population is illiterate and growing income disparities nationally and globally will widen the knowledge gap.

The group also tried to assess the impact of economic disparities on terrorism and concluded that there is no direct connection with absolute poverty. International terrorist attacks are very complex undertakings, requiring middle class, educated cadres, which can be found more in
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Economically and democratically stagnating countries. It could not reach a conclusion as to whether cultural ‘misunderstandings’ can be identified as conflict cause, because the subject is ill researched, but the presumption is that the modern information technology is certainly and important tool for jihadi movements. In terms of governance, the wake of 9/11 provides two additional threats. First there is a slowing global trend to democracy and second there is an increasing prevalence on failed states. The authors focus extensively on the lack of accountability of political leaders in many young or maturing democracies and highlight the dramatic economic and moral leadership implications of systemic corruption.

The “New Wave” conclusions regarding the role of non-state actors are less than flattering and the recommendations are close to hostile. The only extensive mention of NGOs is in the chapter on global governance and relate to the risks posed by efforts to intervene in fostering good governance. On global governance, the report stresses the lack of accountability of international advocacy NGOs to the Southern constituencies they are claiming to represent. Furthermore, it posits that well organised NGOs from Northern countries have greater access to participate in multilateral consultations because they have mastered the rules and best approaches to interacting in these forums. The report is equally critical when it comes to evaluating the role of international aid in fostering good governance. Not only is the overall size of the aid too limited to have the desired effect, the impact of the efforts to promote the role of civil society in good governance is deemed questionable. The authors claim that while the aid “to foster and sustain public interest groups has multiplied the number of NGOs existent in developing nations, there is no compelling evidence of broad political change as a result. Additionally, because support for advocacy groups tends to favour those espousing certain political perspectives and goals, donor support does not apolitically promote the free flow of ideas. It is fairly clear that in isolation, efforts to promote advocacy NGOs do not play a major role in promoting democratisation.” (WWISS, 2003, p.44-47)

While the recommendations do call for greater local participation in the formation and ownership of government and for more efforts to build bridges across ethnic groups, local civil society is not named as a potential counterpart in these efforts. In sum, no new indicators were found in this study, but its critique on ineffective NGO contributions to good governance and the impact of development aid on NGO formation has been included in the analysis of the local NGO sectors in the four countries in chapter VI.

55 One paragraph down, research by the Center for Strategic and International Studies and the Association of the US Army is quoted which concluded: “too often international support for reconstruction has been limited to supporting formal election processes and a wide range of NGOs. The result has been the reversals to the peace process and extensive loss of money, lives and credibility.”

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4.3 Social cohesion and the role of key actors in conflict prevention

A third and final study reviewed in this chapter is the work of education expert and post conflict reconstruction specialist Nat Colletta, who worked on multiple UN and World Bank assignments around the world until he founded and managed the Conflict Prevention and Reconstruction Unit in the World Bank from 1995 till 2001. Complementary to the two previous studies, Colletta’s research primarily analysed the relationship between key actors in deadly conflict and sought inclusive approaches to rebuild socially cohesive post-conflict societies that involve all stakeholders: civil society, NGOs and the business sector. Moreover, despite his close liaison with the World Bank, his work does include critical analyses of State actors that fuelled conflict with autocratic, exclusionary and exploitative rule. This dual focus makes Colletta’s conflict prevention constructs invaluable for this analysis.

In “Violent Conflict and the Transformation of Social Capital” Colletta and Cullen (2000) make a comparative analysis of civil society, market and State engagement in preventing deadly conflict in post conflict societies. Chapter II.5 introduced Colletta’s conflict prevention model, which elaborates on the importance of vertical linkage between the State and its citizens and good governance, with horizontal social capital building and bridging relations among communities in multicultural societies. Using a comparative study of four post-conflict societies, the authors analysed the role of civil society in post-conflict prevention in relation to the State and business sector. It is one of the rare World Bank conflict documents to review the role of civil society in conflict prevention systematically. It provides some valuable insights that broadened my thinking about objective NGO success factors and as such complements the conflict analysis that started with social, political and cultural causes in chapter 3 and continued with economic development causes in chapter 4.

Colletta and Cullen conclude that in each of their four cases studies both bonding and bridging types of social capital emerged in civil society during and immediately after the conflict, either in the form of mobilisation for social protection or through economic rehabilitation and development activities. In crisis, people usually turn to what is most familiar (their family, neighbours and the community). Traditional types of social capital usually, like religions functions (pagodas) and funeral associations, tend to return in their original form when the conflict is waning. Coping mechanisms can be internal or external and range from traditional horizontal social capital relations, such as family, extended family or clans, to more formal bridging relations. They can sometimes include vertical organisations such as religious groups, local governments and markets. Civil society reactions to conflict and its legacies vary by country and type of warfare. Less complex societies such as rural cultures are believed to have shorter recovery periods, unless overly intrusive external intervention damaged or displaced traditional coping mechanisms, which makes the society more vulnerable to recurring violence.

The interface of the State with social capital and conflict is complex. Colletta’s research shows that the overpowering presence of the State in Cambodia as well as its absence in Somalia led to disruption of most social relations in the society. Hence, the lack of ‘organisation integrity and synergy of the State’ was identified as the key cause of all examined conflicts (Table 15). The governments were not able to perform its basic responsibilities and were remote from its constituency, either because of anarchy or authoritarian rule. In Cambodia for example. State penetration was ideologically driven, but its consistent goal was to retain power by the political elite under conditions of increasing inequality, exclusion and indignity.
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Table 15 Organisational integrity of the State

<table>
<thead>
<tr>
<th>State-Society</th>
<th>State Capacity and Effectiveness</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synergy</td>
<td>Predation, corruption (rogue states): Cambodia</td>
<td>Cooperation, accountability, flexibility (developmental states)</td>
</tr>
<tr>
<td>High</td>
<td>Anarchy (collapsed states): Somalia</td>
<td>Inefficiency, ineffectiveness (weak states): Rwanda</td>
</tr>
</tbody>
</table>

When the governance structure is characterized by inequality and an unequal distribution of power and opportunity, the State’s capacity to manage civil conflicts is sharply reduced. On the other hand, the lack of horizontal relations between different ethnic groups in a multicultural society can erupt into hostilities if one group is seen as monopolizing resources and power to the disadvantage of the others. Because the impact of globalization (the local-to-global transition) on developing countries often tends to nourish the seeds of inequality and exclusion already planted during the colonial era and enhanced by post-independence political elites. Colletta recommends that the building of cross-cutting horizontal social capital is even more crucial to strengthening the local conflict prevention capacity:

“In each of these conflicts, the State commandeered national power and supported exclusionary and unequal political regimes. To strengthen state hegemony, government actors waged war against constituents and engaged in divisive plays, blocking the formation of cross-cutting, bridging social capital, while utilizing instability that may have resulted from the effects of globalization to further their cause. (--) Trust in the state needs to be rebuilt, and leaders will have to prove their legitimacy by instituting just and transparent political, social and economic systems that are inclusive and participatory.” (Colletta, 2000, p.91)

In an ideal situation there is a balance between civil society, State and market penetration that nurtures primary bonds, encourages bridging and cross cutting ties and supports State functioning and the State’s relations to its people. A good mix of horizontal cross cutting ties and vertical linkages strengthens the social cohesion of a society and make it more resilient to deadly conflict. Sustainable peace-building initiatives should therefore work simultaneously on good governance, decentralization and participation, and responsible market penetration (vertical axis), as well as on empowerment and bridging horizontal capital among and between different communities (horizontal axis). Civil society plays a key role in this process, as mediating agents between communal groups, governments and markets and is thus central to a country’s capacity to cope with conflict and transformation in a peaceful way.

The analysis of the vertical and horizontal social capital capacity of the State and civil society in the four countries in this study indeed reflects the unique character of each conflict, but common trends emerge as well. Three of the four countries have functioning multi party systems, but it is under considerable pressure due to the conflict legacy and ethno-nationalist party politics. The States need to rebuild the trust with its constituencies, but this is not an easy task. The capacity of political parties to find bridging compromises for the common good has been deeply affected by the conflicts. Cambodia faces a decade long face-off between the CPP, in power for 25 years, and the Funcinpec, related to the Royal family and the French oriented elite. This dual governance system failed badly and ended in the coup of 1997. Since then, the CPP is consistently winning more ground in successive elections and is showing increasingly autocratic tendencies. Due to the weak parliamentary control, the military has managed to maintain and expand its power and successive demobilisation programmes have failed.

56 Source: Colletta. 2000, p.80
In Sri Lanka, the instrument of snap polling was used three times in only five years to seek voters' approval for the leading party's position on the desired peace settlement with the LTTE. In the wake of 20 years of civil war and increasingly violent election processes, the bridging capacity of Sri Lankan politics further declined with the proliferation of ethno-nationalists parties. Ten ethno-nationalist parties, including armed rebels turned Sinhalese Buddhist Marxist politicians (JVP); the 'sole representatives' of the Tamil people in the North and East (TNA); three Muslim factions; the Indian Tamils estate workers party (All Ceylon Workers party) and the Buddhist Monks party (JHU), that won approximately 40 percent of the vote in the April 2004 election. No cabinet can govern without negotiating alliances with one or more of these parties, which greatly complicates the peace negotiations and places the ceasefire under serious threat.

In Indonesia, the situation is even more complicated, as the country is in the midst of a triple transformation process, changing from an authoritarian regime to a constitutional democracy, from a command to a market economy, and from a centralized and exclusionary to a decentralized and participatory administration. Managing Indonesia's rich cultural and social diversity is a key challenge to sustaining its political and economic development. On the social side, Indonesia has moved from an emphasis on “unity in diversity” (Binnika Tunggul) of the early post independence years, to one of “unity and uniformity” (Persatuan dan Kesatuan) of the New Order years, to the current emphasis on “one people, one nation” (Kesatuan Bangsa). But sustainable peace and development processes depend also on sound institutions. Transforming basic mindsets, values and functions of political, economic and social institutions requires a strategic and integrated approach. The hastened political decentralisation process that was approved in 2001 to prevent further outbreaks of communal violence has been strengthening ethnic bonding in provincial governance, harbouring the threat of exclusionary practices in future. Given the continued political and economic turmoil, it should not be a surprise that there is an increasing sentiment to call upon strong leaders from the past to bring back stability and economic prosperity. The election victory of the Golkar party in the April 2004 national election and the nomination of two former Indonesian Generals as Presidential candidates (one of whom is indicted by the East Timor tribunal for war crimes) for the August 2004, can be explained in that light.

In all, the prospects do not look promising in the case countries and short-term trust building and interest bridging initiatives of the State towards NGOs are not expected. Would the ideal mix of vertical and horizontal cross cutting relations exist, a strong business sector and civil society would be in the position to mitigate and help the States regain focus. Unfortunately both sectors have suffered from years of conflict, economic stagnation, mistrust and corruption too. Due to poor economic performance and protracted violent conflict, private business investments have faltered over the past decade and foreign investors moved away. The local NGOs continue their work under challenging circumstances and face constraints in bridging political differences to work for the common good as well. The lack of progress and level of obstruction of their work has lead to a fatigue among both NGOs and their donors in Sri Lanka and Indonesia.

If building cross-cutting horizontal and vertical social capital is indeed the most crucial factor to strengthen the local conflict prevention capacity, then what specific contributions are local NGOs making to that effect? The case countries paint a diverse picture. In Cambodia, local NGOs only have permission to operate since 1992 and the sector has since boomed with the guidance and protection of the international community which funds NGOs to secure grassroots basic delivery

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systems and some checks and balances in the troubled democratisation process. Sri Lanka on the other hand has a historic pluralist civil society tradition and the government never succeeded to curtail the NGO sector to their liking, though they tried on various occasions. Indonesia is somewhere between Cambodia and Sri Lanka. Many indigenous civil society leaders lost their lives in the 1965-67 massacres and it took the civil society 15 years to recover and regroup from the 1980s. The mature NGO sector suffered greatly from State interventions and limited freedom of assembly and expression. It deeply affected NGO work because it was hard for most to build and maintain horizontal, bridging relations in the society.

Facing the new political reality, mature Sri Lankan and Indonesian NGOs find it hard to adjust and have been undergoing a kind of institutional “midlife crisis” since 2002. They feel left out by the State in peace-building processes; they have lost many senior staff members to operational peace building programmes run by multilateral organisations, and struggle to re-invent their mandates, strategies, programmes and international donor connections. Part three of this study will first look into the history and dynamics of the NGO scene in Asia (chapter V) and then provide an overview of the NGO sector per country (chapter VI), before analysing the role of local NGOs in preventing deadly conflict and protecting civilians and identifying the main factors that influence the success of this NGO work (chapter VII). The final chapter presents twelve case studies of successful, national joint NGO peace building initiatives (chapter VIII).