



Developing a Framework for Economic Reconstruction in Conflict-Affected States

**U.S. Institute of Peace Academy of International
Conflict Management and Peacebuilding
November 28-December 2, 2011**

Course Syllabus

Overview

A vibrant economy---where resources are utilized effectively, government services operate efficiently, entrepreneurs thrive, and proceeds are equitably distributed---is an essential element of a sustained and durable peace. This course explores the conflict-development nexus and introduces conflict-management practitioners to concepts and tools and course for effective economic reconstruction in conflict-affected states. Participants will review recent efforts to rebuild war-torn societies and learn how to develop a framework for sustainable and equitable economic progress in fragmented and resource-constrained environments. This course also highlights the importance of protecting and managing natural resources, mobilizing domestic resources, coordinating external assistance, fostering good corporate citizenship, and providing adequate and appropriate infrastructure and services within the context of sound fiscal and monetary policies. Case studies discussions and a simulation exercise reinforce the learning objectives.

Instructor and Guest Speakers

Raymond Gilpin is on the faculty of the USIP Academy. He also directs the Institute's Sustainable Economies Center of Innovation, leading work on analyzing economic relationships across the conflict spectrum. He has worked in conflict-affected countries on three continents and has extensive experience in development economics, central banking and conflict analysis. Willene A. Johnson is President of Komaza, Inc., a consulting firm that focuses on finance and development, including microfinance, security-sector resource management, and post-conflict reconstruction. Guest speakers will include expert practitioners from the official sector and civil society organizations

Course Outline

The first sessions in the course examine the range of challenges and the variety of resources available in the area of economics and conflict management. Discussions focus on the roles of economic actors, and the inter-relationships between conflict and development. Sessions also explore the potential of economic policies and activities to forestall conflict and promote peace.

Building on this analytical framework, the course analyzes a range of economic interventions that contribute to conflict management. It aims to deepen participants' understanding of economic relationships and strengthen their ability to apply these concepts to employ economic instruments in conflict management.

The final sessions aim to develop the skills required to apply and assess targeted economic interventions in conflict management while encouraging participants to guide development in a way that sustains security and welfare as well as income growth. Sound practices of conflict management remove certain impediments to development, while sustainable economic development helps address conflict and consolidate peace.

Developing a Framework for Economic Reconstruction in Conflict-Affected States Syllabus

Key Objectives

By the end of this course, participants will master concepts essential to the relationships between economics and conflict management. As conflict management practitioners, they will be able to:

- i. Analyze political-economy dynamics of conflict-affected regions and identify links between conflict-sensitive economic interventions and prospects for peacebuilding;
- ii. Evaluate the roles of economic actors and a broad range of domestic and external stakeholders (including community groups, non-governmental organizations, bilateral partners, multilateral institutions, and international firms) in promoting or impeding economic development;
- iii. Identify the key elements of a strategic framework to promote economic progress and sustain peace in fragile environments; and
- iv. Glean sound practices from case studies and know how to apply principles and concepts to real-world challenges.

Course Structure

	Mon., Nov. 28 <i>The Conflict-Development Nexus</i>	Tue., Nov. 29 <i>Building Lasting Peace</i>	Wed., Nov. 30 <i>Role of External Partners</i>	Thur., Dec. 1 <i>Promoting Sustained Growth</i>	Fri., Dec. 2 <i>Applying Concepts</i>
8:30 am	Introductions and Course Overview				
9:00 am	<i>Session 1.</i> A “different” development challenge	<i>Session 3.</i> Economic dimensions of peace mediation	<i>Session 5.</i> The East, the West and the Rest	<i>Session 7.</i> Transition from humanitarianism to business dev’t.	Simulation Discussions (<i>small groups</i>)
10:30am	BREAK	BREAK	BREAK	BREAK	BREAK
10:45 am	<i>Session 2.</i> Political economy overview	<i>Session 4.</i> Investing in social capital	<i>Session 6.</i> Foreign Assistance and Peace Building	<i>Session 8.</i> Measuring economic progress	Simulation Drafting (<i>small groups</i>)
12:15 pm	LUNCH	LUNCH	LUNCH	LUNCH	LUNCH
1:00 pm	Case Study Discussions	<i>Film Documentary.</i> The GEMAP Story	Case Study Discussions	<i>Session 9.</i> Connecting the dots. A checklist for practitioners	Simulation Brief back Course Evaluations
3:30 pm	BREAK	BREAK	BREAK	BREAK	
3:45 – 5:00 pm	Introduction to Library Simulation Introduction	Simulation research and preparation	Simulation presentations and discussions	Case Study Discussions	

Developing a Framework for Economic Reconstruction in Conflict-Affected States Syllabus

Course Delivery

This intensive course includes classroom sessions, group discussions, and an interactive simulation exercise. We assume participants have a basic grasp of theoretical and practical economic issues relevant to conflict-affected states. Instructors facilitate discussions and use case studies to provide context and encourage debates. Instructors and guest speakers have significant experience working in conflict zones. Participants divide into small discussion groups to role-play in an interactive exercise.

Course materials include readings as indicated in this *Course Syllabus* along with country studies and a simulation exercise. A supplemental reading list includes articles and books in the field of economics and conflict that serve as resources for future work. Participants also have access to UIPS' International Network for Economics and Conflict (<http://inec.usip.org/frontpage>), which provides an extensive resource library, facilities for online discussion, and access to a pool of experienced experts via the reach-back function.

Monday, November 28, 2011

Introduction and Course Overview

8:30 am to 9:00 am

- Introduce instructors and course participants. Participants describe their background in economics and experience in conflict management as well as expectations for the course.
- Discussion of course objectives.
- Overview of course schedule, content, and resources.

Required Readings:

- World Bank, “World Development Report, 2011,”
http://wdr2011.worldbank.org/sites/default/files/WDR%202011Overview_0.pdf

Day One: The Conflict-Development Nexus

Day One presents the range of resources available in the area of economics and conflict management, including economic theory, cases studies, and direct observation. It also explores the potential of economic policies/ activities to forestall conflict and promote peace.

Session 1: A “Different” Development Challenge

9:30 am to 10:30 am

Objectives:

- Explore how and why both overall development strategy and economic instruments must be designed to meet the unique objectives of conflict-affected states
- Consider the role that research can play in developing, implementing, and evaluating policy and programs designed to build peace.

Required Readings:

- Graciana del Castillo, “The Rules of Reconstruction,” Project Syndicate Commentary,
<http://www.project-syndicate.org/commentary/delcastillo2>.
- Paul Collier, “Post-Conflict Recovery: How Should Strategies Be Distinctive?” *Journal of African Economies*, Volume 18, AERC Supplement 1 (2009): i99-i131,
<http://users.ox.ac.uk/~econpco/research/pdfs/PostConflict-Recovery.pdf>.

Session 2: Political Economy Overview: Informal economies, Corruption

10:45 am to 12:15 pm

Objectives:

- Examine the genesis and implications of informal economic structures in conflict-affected states.
- Identify the nature and scope of corruption in conflict-affected states.
- Explore the seeming intractability of weak governance and corruption in conflict-affected states, detailing economic and political implications.
- Analyze how a climate of impunity triggers and sustains violent conflict. What lessons could be drawn for effective peacebuilding?

Developing a Framework for Economic Reconstruction in Conflict-Affected States Syllabus

Required reading:

- Is Informal Normal? OECD Policy Brief, OECD, Paris (March 2009)
<http://www.oecd.org/dataoecd/24/1/42470203.pdf>.
- Emil Bolongaita, "Controlling Corruption In Post-Conflict Countries," Kroc Institute Occasional Paper #26:OP:2, (January 2005),
<http://www.u4.no/document/literature/Kroc%282005%29-controlling.pdf>

Tuesday, November 29, 2011

Day Two: Building Peace

Day Two surveys economic tools for peacebuilding before and after peace agreements. Consistent with the focus on the entire conflict spectrum, these sessions examine the economic dimensions of peacebuilding during and after peace mediation. The sessions are designed to deepen participants' understanding of economic relationships and strengthen their ability to apply these concepts to employ economic instruments in conflict management.

Session 3: Economic Dimensions of Peace Mediation

9:00 am to 10:30 am

Objectives:

- Discuss why economic considerations are usually absent during conflict mediation efforts.
- Identify when conflict mediation and peace agreements should include economic dimensions, and examine optimal approaches/modalities.
- Discuss how economic instruments could reward enablers and deter/discourage potential spoilers.

Required Readings:

- Achim Wennmann, "Economic Provisions in Peace Agreements and Sustainable Peacebuilding," paper presented at the World International Studies Conference in Ljubljana, (July 23-26, 2008)
http://www.wisnetwork.org/ljubljana2008/papers/WISC_2008-337.pdf.

Session 4: Investing in Social Capital

10:45 am to 12:15 pm

Objectives:

- Identify the economic importance of human capital. Highlight the ways in which productivity improvements in both human and physical capital can contribute to economic progress in conflict-affected countries.
- What is social capital and how is it affected by conflict?
- Recognize the importance and challenges of structuring education and training in countries affected by conflict.

Required reading:

- Nat J. Colletta and Michelle L. Cullen, "The Nexus between Violent Conflict, Social Capital and Social Cohesion," Social Capital Initiative Working Paper No. 23, The World Bank (September 2000)

Developing a Framework for Economic Reconstruction in Conflict-Affected States Syllabus

- <http://siteresources.worldbank.org/INTSOCIALCAPITAL/Resources/Social-Capital-Initiative-Working-Paper-Series/SCI-WPS-23.pdf>
- Ketty Luzincourt and Jennifer Guilbrandson, "Education and Conflict in Haiti," *USIP Special Report 245*, August 2010, <http://www.usip.org/files/resources/sr245.pdf>.

Film Documentary: Improving Economic Management: The GEMAP Story

This session reviews concrete steps taken in post-conflict Liberia through an innovative economic management project: the Governance and Economic Management Program.

See: <http://www.gemap-liberia.org/mediagallery.html>

Wednesday, November 30, 2011

Day Three. The Role of External Partners

Day Three builds on the previous modules and examines mechanisms used by external bilateral, multilateral and non-governmental entities to support economic progress in conflict-affected states. The analysis compares and contrasts various modalities and assesses their implications for lasting peace.

Session 5: Evolving Role of External Partners: The East, the West and the Rest

9:00 am to 10:30 am

Objectives:

- Examine the contributions of external players in conflict-affected regions.
- Analyze relationships between natural resource management/mismanagement and violent conflict --- highlighting costs and benefits to all stakeholders.
- Understand implications of varying investment and foreign assistance modalities in conflict-affected countries.

Required reading:

- Deborah Brautigam, "Africa's Eastern Promise: What the West Can Learn From Chinese Investment in Africa," *Foreign Affairs*, (January 5, 2010) <http://www.foreignaffairs.com/articles/65916/deborah-brautigam/africa%E2%80%99s-eastern-promise>

Session 6: Foreign Assistance and Peace Building

10:45 am to 12:15 pm

Objectives:

- Outline the various categories of foreign assistance (bilateral, multilateral and non-governmental) available for economic reconstruction in conflict-affected countries.
- Analyze governance, institutional and regulatory prerequisites that would ensure the judicious use of foreign assistance in fragile zones.
- Examine the merits and demerits of foreign assistance.
- Discuss foreign assistance as an instrument of national power --- especially relative to defense and diplomacy.

Developing a Framework for Economic Reconstruction in Conflict-Affected States Syllabus

Required Readings:

- Modernizing Foreign Assistance Network, “New Day, New Way: U.S. Foreign Assistance for the 21st Century,” (June 2008)
<http://modernizingforeignassistance.net/documents/newdaynewway.pdf> .
- SIGAR, “Audit Shows U.S. Salary Support to Afghan Government Employees at Serious Risk of Waste, Fraud and Abuse,” October 2010
<http://www.sigar.mil/pdf/PressRelease/PressRelease29Oct2010.pdf>.

Thursday, December 1, 2011

Day Four: Promoting Sustained Growth

Day Four develops the skills required for integrating targeted economic interventions into conflict management, while encouraging participants to formulate development strategies and practices that sustain security and welfare as well as income growth. .

Session 7: Transition from humanitarian activity to business development

9:00 am to 10:30 am

Objectives:

- Does the private sector have a role in post-conflict economic construction? If so, what steps could be taken to build capacity and support emerging entrepreneurs?
- How is the transition from humanitarian aid best sequenced?
- What incentives and disincentives should be in place to ensure sustainability and equity?
- How should the pervasive effects of a war economy be minimized?

Required Readings:

- Jennifer Oetzel et al., “Business and Peace: Sketching the Terrain,” *Journal of Business Ethics*, 89 (2010):351-73.
- “The Business of Peace: The private sector as a partner in conflict prevention and resolution,” Executive Summary
<http://www.international-alert.org/pdf/Busxsum.pdf>.

Session 8: Measuring Economic Progress in Conflict-Affected States

10:45 am to 12:15 pm

Objectives:

- The session examines a system of metrics that will assist practitioners in formulating policy and implementing strategic plans to transform conflict and bring stability to war-torn societies.
- The metrics help policymakers to establish realistic goals, bring adequate resources and authorities to bear, focus their efforts strategically, and enhance prospects for attaining an enduring peace.

Required reading:

- Michael Dzedzic, Dr. Barbara Sotirin, and Col. John Agoglia, editors, “Measuring Progress in Conflict Environments (MPICE): A Metrics Framework for Assessing Conflict Transformation and Stabilization,” USIP, Pp 39-47
<http://www.usip.org/publications/measuring-progress-conflict-environments-mpice>

Developing a Framework for Economic Reconstruction in Conflict-Affected States Syllabus

- USIP, “The Guiding Principles for Stabilization and Reconstruction,” USIP, November 2009, pp 132-161 <http://www.usip.org/publications/guiding-principles-stabilization-and-reconstruction>

Session 9: Connecting the Dots. A checklist for practitioners

1:00 to 2:30 pm

Objectives:

- The session summarizes the concepts and lessons from previous sessions and outlines useful tips for practitioners.

Friday, December 2, 2011

Day Five: Simulation Exercise

Simulation Exercise on Economic Recovery and Reform in Southern Sudan

9:00 am to 12:15 pm

- Session background:
 - An interactive simulation exercise will allow participants to use many of the skills gained during the course to address economic dimensions of conflict management in a fictitious region. The simulation and role playing will require participants to incorporate sound economic principles in strategies that enhance both welfare and security.
- Learning objectives.
 - Demonstrate a firm grasp of the conflict-economics nexus in analyzing conflict and designing effective strategies.
 - Demonstrate an understanding of optimal ways to incorporate economics in multifaceted strategies, and weigh trade-offs.
 - Demonstrate an understanding of the role of economic actors (domestic and international) in conflict management.
- Discussion questions.

In a post-conflict rural area:

 - What should the primary objectives be? What will be the strategic role of agriculture and/or other income generating activities?
 - What are the most important infrastructure improvements that need to be made?
 - What are the most important capacity-building interventions that need to be made?
 - How should policies be sequenced? How can short-term imperatives and long-term concerns be balanced?
 - How do you minimize illicit activity and corruption?
- Required reading.
 - Simulation scenario and roles
 - Resources and readings from previous sessions

Developing a Framework for Economic Reconstruction in Conflict-Affected States Syllabus

Simulation Brief-Backs
1:00 pm to 2:30 pm

Simulation Brief-Backs

Evaluations and Wrap up