



Developing a Framework for Economic Reconstruction in Conflict-Affected States

**U.S. Institute of Peace Academy of International
Conflict Management and Peacebuilding
September 17-21, 2012**

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 reviews recent efforts to rebuild war-torn societies. Course participants will learn concepts and tools for effective economic reconstruction in conflict-affected states and to develop a framework for sustainable and equitable economic progress in fragmented and resource-constrained environments. To that end, participants will learn to implement and assess programs for 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, participants examine and assess a range of economic interventions that contribute to conflict management. Through discussions and exercises, participants deepen their 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. While developing monitoring and evaluation methods to assess economic progress, participants will learn to tailor assessment instruments to the conflict environment. The course culminates with a simulation exercises that allows participants to demonstrate how sound practices of conflict management remove certain impediments to development, while sustainable economic development helps address conflict and consolidate peace.

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Key Objectives

By the end of this course, participants will design the key elements of a strategic framework to promote economic progress and sustain peace in fragile environments. To that end, they will be able to:

- i. Understand the political-economy dynamics of conflict-affected regions;
- ii. Identify links between conflict-sensitive economic interventions and prospects for peacebuilding;
- iii. Glean sound practices from case studies and know how to apply principles and concepts to real-world challenges.
- iv. Structure incentives to influence economic actors and engage 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;
- v. Develop and apply instruments to monitor and evaluate progress in programs designed to promote peacebuilding and development.

Course Structure

	Monday <i>The Conflict-Development Nexus</i>	Tuesday <i>Building Lasting Peace</i>	Wednesday <i>Role of External Partners</i>	Thursday <i>Promoting Sustained Growth</i>	Friday <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	Case Study Discussions	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	<i>Session 9.</i> Connecting the dots. A checklist for practitioners	

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Course Delivery

This intensive course includes classroom sessions, group discussions, class exercises, 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, September 17, 2012

Pre-Course Preparation

- Review concepts and tools of conflict analysis, either from previous studies or from the USIP online course:
<http://www.usip.org/education-training/courses/certificate-course-in-conflict-analysis>

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:

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

- Understand how and why both overall development strategy and economic instruments must be designed to meet the unique objectives of conflict-affected states
- Develop a conceptual framework to apply results from field research to develop, implement, and evaluate policy and programs designed to build peace.

Required Readings:

- Graciana del Castillo, “The Economics of Peace: Five Rules for Effective Reconstruction,” *USIP Special Report 286*, September 2011.
http://www.usip.org/files/resources/SR286_The_Economics_of_Peace.pdf
- 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>.
- Serge Loode, “Peacebuilding in Complex Social Systems,” *Journal of Peace, Conflict & Development*, Issue 18, December 2011, pp. 68-82. <http://www.peacestudiesjournal.org.uk>

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Session 2: Political Economy Overview

10:45 am to 12:15 pm

Objectives:

- Identify the characteristics of fragile state and inter-relationships between natural resource management, governance, and conflict.
- Examine the genesis and implications of informal economic structures 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?

Required reading:

- Steen Nordstrøm, “Fragility and Natural Resources,” Danish Institute for International Studies Policy Brief (September 2008):
http://www.diis.dk/graphics/Publications/Briefs2008/PB_2008_09_Fragility_and_natural%20resources%282%29.pdf
- 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>

Case Study Discussions

1:00 pm to 3:30 pm

- Discussion focuses on developing a framework for peacebuilding

Introduction to Library and Simulation Exercise

3:45 pm to 5:00 pm

- Introduction to the USIP Library and online resources
- Introduction to the Simulation Exercise

Tuesday, September 18, 2012

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 Reading:

- 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.wiscnetwork.org/ljubljana2008/papers/WISC_2008-337.pdf.

Session 4: Investing in Social Capital

10:45 am to 12:15 pm

Objectives:

- What is social capital and how is it affected by conflict?
- Identify the economic importance of human capital. Highlight the ways in which good health and education contribute to productivity improvements required for economic progress and sustainable peace.
- Design and evaluate recommendations for 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)
<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>.
- Debarati Guha-Sapir and Olivia D'Aoust, "Demographic and Health Consequences of Civil Conflict, Background Paper for World Development Report 2011 (October 2011), Chapter 2: Profiling the Vulnerable, pp. 12-30.
http://wdr2011.worldbank.org/sites/default/files/pdfs/WDR_Background_Paper_Sapir_D'Aoust.pdf?keepThis=true&TB_iframe=true&height=600&width=800

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Film Documentary: Improving Economic Management: The GEMAP Story **1:00 pm to 3:30 pm**

- 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>
- Discussion focuses on designing and employing economic instruments in peacebuilding

Simulation Research and Preparation **3:45 pm to 5:00 pm**

Wednesday, September 19, 2012

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.

Required Readings:

- Modernizing Foreign Assistance Network, "New Day, New Way: U.S. Foreign Assistance for the 21st Century," (June 2008)

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- <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>.

Case Study Discussions

1:00 pm to 3:30 pm

- Discussion focuses on the role of external partners

Simulation Presentations and Discussions

3:45 pm to 5:00 pm

Thursday, September 20, 2012

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:

- Gayle Tzemach Lemmon, “Entrepreneurship in Postconflict Zones,” Council on Foreign Relations Working Paper (May 2012).
<http://www.cfr.org/women/entrepreneurship-postconflict-zones/p28257>
- 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.

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- 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 Dziedzic, 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>

Case Study Discussions

1:00 to 2:30 pm

- Discussion focuses on designing and evaluating programs that promote sustainable economic development while contributing to peace and security.

Session 9: Connecting the Dots. A checklist for practitioners

3:45 pm to 5:00 pm

Objectives:

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

Friday, September 21, 2012

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.

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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

Simulation Brief-Backs

1:00 pm to 2:30 pm

Simulation Brief-Backs

Evaluations and Wrap up