

Post-Conflict Risks

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Post-conflict societies face two challenges: economic recovery and risk reduction. Aid and policy reforms are highly effective in economic recovery. In this paper we concentrate on the other challenge, risk reduction. The post-conflict peace is typically fragile: the typical country faces around a 40% risk of reversion to conflict during the first decade of peace. As a result, nearly half of all civil wars are due to post-conflict relapses. We compare political, economic and military aspects of the post-conflict situation to address this problem. Our results are based on statistical analysis of 74 post-conflict experiences from around the world.

The results on political design and interventions are disappointing. Post-conflict elections *shift* the risk between years. Hence, elections are likely to be the wrong milestone for troop withdrawals. Similarly, while democratic constitutions are desirable in themselves, they do not appear to reduce risks.

Economic development does substantially reduce risks. Both growth and the higher levels of income that growth cumulatively delivers, bring risks down. While economic growth reduces risks, its effects take time: typically a decade. Post-conflict governments recognize high risks and opt to continue high military spending which is counter-productive, significantly increasing the risk of further conflict.

We find that external UN military peacekeeping significantly and substantially brings risks down. The effect is large: in the typical country doubling expenditure would reduce the risk over the course of the decade from 40% to 31%.

Based on these results we suggest that international efforts need to focus on long term economic development through substantial aid and rapid reform, combined with a commitment to the provision of security through external peacekeepers throughout the first post-conflict decade. The two approaches are complements. Without security the post-conflict situation is liable to be seen as too precarious to induce the investment necessary for economic development. Without economic development, there is no safe exit strategy for international peacekeepers.

Finally, post-conflict risks are substantially higher the lower is per capita income at the outset of the peace. This provides a clear and uncontroversial principle for resource allocation: resources per capita should be approximately inversely proportional to the level of income in the post-conflict country.