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Post-conflict *peace-building:* a challenge for *the United Nations*

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The multidisciplinary peace-keeping and post-conflict peace-building (PCPB) operations of today have imposed on the United Nations a multifaceted and complex role, comprising both verification and good offices functions in a wide variety of areas. This has put tremendous pressure on the human and financial resources of the Organization. As a result, many flaws in the United Nations system have been brought to light, such as the inadequate coordination that exists between the different bodies of the Organization and its inability to address problems associated with peace and development in a rigorous, integrated, transparent, coherent and consistent way. The political and economic realities of today require what the Secretary-General has referred to as an "integrated approach to human security". Under such an approach, humanitarian, political, military and socio-economic problems should be addressed by the various institutions jointly rather than separately, in order to avoid potential clashes of competence and waste of resources. An integrated approach to human security, which is important as a general rule, is imperative in PCPB situations and may be the only feasible way to address the sources of conflict, thus avoiding a recurrence of major crises or violence in the future. The need for the United Nations to become more immersed in the multidisciplinary aspects of PCPB requires major rethinking and an analytical and operational redefinition of relationships and comparative advantages.

I

Introduction

The international community increasingly expects the United Nations to play a major role in post-conflict (or post-crisis) peace-building (PCPB). This paper will

analyse the challenge that this expectation raises for the United Nations and the policy measures that should be adopted to deal more effectively with it.

II

Strains on the Organization

The demands on the United Nations related to matters of peace and security have in recent times acquired a growing multidisciplinary character that is imposing a severe strain on the Organization. This challenge makes it necessary to conduct a rigorous rethinking of issues related to humanitarian assistance, rehabilitation and reconstruction, the strengthening of democratic institutions and the development *problématique* in general, as well as the ways they relate with each other. It also draws attention to the conflicts arising from the different and sometimes contradictory objectives of political and socio-economic policies and the need to address these issues in an integrated manner. It highlights the essential role of the international community, both in providing resources—financial and other—and in ensuring that all parties to peace agreements comply with their commitments, and it gives the Secretary-General an opportunity to link the main proposals in his report *An Agenda for Peace*¹ to his other report *An Agenda for Development*,² which will hopefully set a new framework for the activities of the Organization in the areas of peace and development.

Peace-keeping in its new incarnation is no longer a purely military operation with “Blue Helmets” interposed between former belligerent groups to deter renewed strife. The nature of peace-keeping has evolved with the changing nature of conflict and the complexity of the challenges facing the international community. Thus, peace-keeping is often accompanied by activities relating to the provision of humanitarian assistance, removal of mines, demobilization, the return of refugees and other displaced persons, the promotion of human rights, the demilitarization of the police and the development of civilian police forces, the “purification” of armed forces, strengthening of the judiciary and other national institutions, the preparation and monitoring of elections, and the reintegration of ex-combatants and other estranged groups into the civilian and productive life of the country. The latter is of critical importance in the overall effort to ensure the peaceful resolution of disputes. In addition to the role the United Nations plays in the peace-making phase—negotiating and drafting the actual peace agreements—its involvement in the new multidisciplinary peace-keeping operations of today is likely to be multifaceted and complex, com-

□ The views expressed here are entirely those of the author and should not be attributed in any manner to the United Nations. Comments and suggestions by A. de Soto, M. I. Goulding, P. Hansen, J. C. Milleron, G. Rosenthal and R. Srivastava are gratefully acknowledged, as is the excellent assistance of C. Bustani, a graduate student at Columbia University and Summer Intern at the United Nations.

¹ Report of the Secretary-General pursuant to the statement adopted by the Summit Meeting of the Security Council on 31 January 1992 (United Nations, 1992).

² On 6 May 1994 the Secretary-General presented as a basis for discussion the broad approach underlying his concept of development, in his report *An Agenda for Development* (United Nations, Secretary-General, 1994a). Based on views expressed at the high-level segment of the Economic and Social Council and the World Hearings on Development conducted by the President of the General Assembly, on 11 November 1994 the Secretary-General submitted recommendations on *An Agenda for Development* (United Nations, Secretary-General, 1994b).

prising both verification and good offices tasks. Verification of the implementation of agreements that span various disciplines requires diverse and specialized expertise, not easily available in the United Nations. Good offices are required both to help the parties overcome difficulties in the implementation of the agreements and to facilitate the political and financial support of the international community for the peace process.

The dramatically enlarged scope of what is expected from the international community is putting tremendous pressure on the human and financial resources of the United Nations system. Many of its

flaws have been brought to light, the most serious being the inadequate coordination that exists between the different bodies of the Organization and its inability to address problems associated with peace and development in a rigorous, integrated, transparent, coherent and consistent way. Put simply, the political and the economic and social sides of the house barely talk to each other; peacemakers and economists do not speak the same language and so find it difficult to communicate. As a result, the concept of PCPB is not much clearer than it was in July 1992 when *An Agenda for Peace* was published.

III

Pressures on the countries involved

In its *World Development Report* of 1991 the World Bank noted the gradual formation of a consensus in favour of a "market-friendly" approach to development. Such a consensus might have been apparent at that time, but there has been a backlash since then.³ There are great controversies, both at the academic and policy-making levels, over the policies to be adopted (fixed versus flexible exchange rates, the fiscal-monetary mix), over the strategies to be used (the degree of government intervention, the advantages of liberalization versus managed trade, the role of foreign investment, the need for privatization and deregulation), over the nature of the necessary institutional frameworks (legal, judicial, fiscal) and over the breadth, speed and sequence of the reforms to be adopted.⁴

³ Even John Williamson, who coined the term "Washington Consensus" to refer to this has subsequently acknowledged that such a consensus did not exist.

⁴ There are also clear political signs which confirm that such consensus does not exist. To name just a few: the 1994 elections in Russia, Poland, Venezuela and Costa Rica and the growing acceptance of the Worker's Party in Brazil and the Broad Front in Uruguay in elections at the end of the year indicate the popularity of leaders and parties that oppose market-oriented policies and a reduced role for the Government. Already in December 1993 the *New York Times* noted that Russia no longer necessarily seemed destined for democracy and free markets (*The Week in Review*, 14 December 1993). If anything, political opposition and opposition to economic reform has grown since then.

The choice between the market and the State is not always clear and there are many alternative types of institutional frameworks that governments can provide. Even so, reform can be a disaster unless policies are efficiently and consistently implemented. Let us take the example of privatization. Chile, an early privatizer, went through two clear stages of privatization: the first one was badly conceived and implemented, and had dire economic and social effects; in the later one lessons had been learned, a number of things were done differently and the institutional framework had changed, so that privatization yielded excellent results. Hence, it cannot be said that privatization –or any other economic policy, for that matter– is good or bad in itself: much depends on how it is designed and carried out and on the government's ability to provide the right institutional framework. Furthermore, privatization is not always a "must", even for countries that are transforming their economies in a market-oriented direction. There are many policy alternatives, as the experiences of Uruguay and Costa Rica show (Del Castillo, in the press (b)).

Stabilization and structural reform have proven to be a necessary condition for development, but not sufficient by themselves. At the same time, the experience of the last decades has made it clear that there can be no sustained development without peace and no durable peace without development.

Policy choices such as the ones mentioned above by way of example are more restricted in countries

coming out of conflict, which must reconcile the often conflicting demands of peace and development. There are four main reasons why we would argue that these situations are different and therefore deserve special treatment by the international community. First, countries coming out of armed conflict or situations of extreme socio-political upheaval have, as a general rule, economies in shambles or at least severely distorted. They face a double challenge: on the one hand, they have to confront the normal challenge of socio-economic development which often involves tough choices in terms of stabilization and structural reform. This is particularly difficult because most countries in PCPB conditions are at a low level of development and have become even more impoverished by the conflict. On the other hand, they have to settle for less than optimal policies in their economic reform efforts so as to accommodate the additional financial burden of reconstruction and peace consolidation. The latter includes the reintegration of former combatants and other estranged groups into productive activities and the development of an adequate institutional framework to foster national reconciliation. The imperative of peace con-

solidation competes with the conventional imperative of development, putting tremendous pressure on policy decisions, especially budgetary allocations.

Second, the lack of consensus on economic reform in PCPB is often acute, after years of political polarization and opposing ideologies.

Third, in the early stages of PCPB the economic environment does not foster domestic savings (the most important source of development finance in developing countries) or attract private capital flows (portfolio or foreign direct investment). In fact, in most PCPB situations the entrepreneurial elite has been the primary agent of capital flight, either migrating or investing its capital abroad. For these reasons, official aid flows – mostly in the form of grants – are crucial to what sometimes proves to be a long transitional period.

Finally, conflicts and other crises are related to the weakening of civil institutions (central governments, judicial systems, property rights, trade unions, rural associations) and to the lack of a culture of peace and reconciliation. This makes peace negotiations and the implementation of agreements particularly difficult.

IV

The need for an integrated approach to human security

The political and economic realities of today require what the Secretary-General has referred to in *An Agenda for Peace* as “an integrated approach to human security”. Under such an approach, humanitarian, political, military and socio-economic problems should be addressed jointly, rather than separately as has often been the case. Whereas an integrated approach to human security is important as a general rule, it is imperative in PCPB situations. To be truly successful, peace-making and peace-keeping operations must be complemented by efforts to consolidate peace, promote human rights and improve the socio-economic well-being of the population. This may be the only feasible way to address the sources of conflict, thus avoiding the recurrence of major crises or violence in the future.

We would argue that, to be effective, such an integrated approach to human security should satisfy eight basic criteria (“the eight Cs”): *credibility* of the organizations or bodies involved and the programmes undertaken; *coherence/consistency* in the strategy followed; *continuity in and conclusion of* the process (i.e., staying the course); *cooperation* between organizations or bodies and *coordination* among programmes; *consensus* on the policies and programmes adopted among those who have to implement them; a *constructive* approach based on incentives rather than penalties; measures to build mutual *confidence* between previously warring factions; and *cost-effectiveness* of the overall operation.

V

The unique position of the United Nations

While a large number of programmes and agencies of the United Nations system deal purely with developmental issues, the United Nations as an organization is uniquely positioned in theory to help countries reconcile their joint objectives of peace and development. Many organizations inside and outside the United Nations system, such as the Bretton Woods institutions and the regional development banks, may be in a better position to deal with strictly developmental issues – at both the theoretical and operational levels – than the United Nations. However, in terms of its mandate, only the United Nations has the capacity to integrate the many political, humanitarian, military and socio-economic activities relating to peace and development. Given the large number of countries currently in some kind of conflict situation, the demand for such an approach to peace-making, peace-keeping and PCPB is growing dramatically.

In practice, however, the potential of the United Nations to carry out an integrated approach has not yet been fully developed, either within the United Nations itself or with the agencies. The United Nations should be prepared to play a more active and constructive role in helping countries (particularly those in PCPB situations) to choose development strategies, especially as they affect the consolidation of peace. The United Nations should strengthen its analytical and operational capacity to help countries in formulating policies that are well-conceived, transparent, credible and implementable, from both the political and the socio-economic points of view. The resumption of peace negotiations in Guatemala – now led by a United Nations moderator – will be a test of the Organization's capacity in peace-making. Mozambique, Somalia, Angola, Haiti and the Gaza Strip and Jericho area will in turn also test its capacity in post-conflict (or post-crisis) peace-building.

VI

Developing a complex link

The complex link between socio-economic, humanitarian, political and military issues in PCPB situations, however, is still largely unexplored. In fact, the need for an integrated approach to human security – a central idea in *An Agenda for Peace* – has so far been largely ignored. Peacemakers and economists do not mingle naturally, and very little theoretical thinking has been done on the relationship between these disciplines.⁵ In the field, action has been disjointed and mostly *ad hoc* in response to specific situations or problems. There has not been a global strategy to address the problems of a particular country, incorporating all variables and comprising the many dif-

ferent actors in an integrated and coherent fashion, linking aspects relating primarily to development with those relating primarily to the consolidation of peace. Furthermore, it is not clear where responsibility for developing such a global strategy lies.

Most observers agree that United Nations involvement in the humanitarian and development fields needs to be rethought. This becomes particularly important in cases of PCPB. In most countries there are several United Nations bodies, each with its own programme and budget, most of which respond to their own board or governing council rather than to the Secretary-General of the United Nations. Overall planning and coordination between these bodies is often talked about, but very little of it actually occurs. Programmes are often designed following a general model, with little concern for the particular nature or idiosyncrasy of the case at hand.

⁵ For an analysis of the challenges to an integrated approach between the UN and the Bretton Woods institutions in El Salvador, see De Soto and Del Castillo (1994a).

VII

Making the link operational

In order to succeed in securing an integrated approach by the United Nations system as a whole to the problems of PCPB it is first necessary to achieve an integrated approach within the United Nations itself. We would argue that three things are critical in this regard. First, peacemakers should start early on in the peace process to think about and plan for the requirements and constraints of PCPB. Thus, peace negotiators should always be supported by a high-level advisor (or team, depending on the case) on PCPB, particularly as it refers to socio-economic issues. Experience has shown (particularly in relation to the case of El Salvador) that stipulations in a peace agreement relating to these issues are likely to have an important effect on its implementation, either by facilitating it or making it more difficult.

Second, multidisciplinary peace-keeping missions with PCPB responsibilities should have a unit headed by an official of high level to deal solely with these matters. Such a unit will in most cases outlast the peace-keeping operation itself and could be an important factor in facilitating the transition from the strict surveillance by the Security Council of the peace-keeping mission in particular to the more general support pro-

vided by different bodies of the United Nations system to development activities of the country.

Third, to deal with and support PCPB activities both in the peace-making and peace-keeping phases as well as in the PCPB phase itself, responsibilities need to be clearly assigned at Headquarters. Within the Secretariat's present structure, there is no self-evident place for such activities. The political department would probably have to play a prominent role, particularly at the planning stage, since the central purpose is the consolidation of peace, which is inherently political. The department of peace-keeping operations would need to be strongly involved given its own responsibilities during the implementation phase. It would also make eminent sense to draw from the staff of the economics departments and the regional economic commissions. Furthermore, if the required expertise were not available within the United Nations, the Secretary-General should have the flexibility to request that experts be seconded from the various agencies, including the Bretton Woods institutions. This would be a first step towards an integrated approach to the problem of human security encompassing the United Nations system as a whole.

VIII

PCPB activities under the aegis of the United Nations

An integrated approach to PCPB would entail the difficult task of reconciling the many demands, objectives and constraints arising from the provision of emergency humanitarian assistance; the demobilization and reintegration of former combatants; the transition to democracy; the building of national institutions and the promotion of human rights; the reconstruction of infrastructure and the rebuilding of the national economy; and the creation of confidence-building measures. These activities are briefly discussed below.

1. Emergency humanitarian assistance

a) *Relief in general*

In some instances it has been necessary to ensure the delivery of humanitarian relief by resorting to operations involving military force. These operations may create dangers for relief workers. At the same time, the growing demand for relief in Africa, the former Soviet Union and the former Republic of Yugoslavia has not always been matched by a proportional increase in resources from the international

community. On the contrary, "donor fatigue" has made them more selective in terms of how they allocate their resources. Competition and "turf battles" over spheres of influence among relief organizations have led to inefficiency and waste of resources.

b) *Food aid*

Countries in PCPB situations are likely to rely on food aid for some time; the United Nations, mainly through the World Food Programme (WFP), has significant experience in providing it. Food aid is particularly important to countries that have lost their capacity to produce or acquire food as a result of war or natural disaster, or to those in which a significant proportion of the population has been uprooted, internally displaced or forced to seek refuge elsewhere.

But food aid can create dependence and distortions which need to be carefully analysed and whose phasing out needs to be well planned. By affecting local prices, food aid often interferes with or distorts domestic food production. The transition from food aid to reliance on domestic food production must be encouraged through the provision of essential inputs such as seeds, fertilizers and pesticides. Technical assistance and credit are essential elements in this transition, and the United Nations system –mainly through the Food and Agriculture Organization (FAO) and the International Fund for Agricultural Development (IFAD)– can play an important role in providing or facilitating both.

c) *Short-run rehabilitation*

The rehabilitation of basic infrastructure and services is critical for countries in PCPB situations. The return to democracy or the signing of a peace agreement should not bring only elections, a cease-fire or freedom of the press. It is important that there be a rapid improvement in the well-being of the population through programmes that have an immediate impact, such as the restoration of power generation, the collection of garbage and the provision of safe water and adequate sanitation to as large a segment of the population as possible. This last programme would also reduce the burden on overextended health services, as wars, sanctions and other disasters often cause epidemics and diseases as well as physical and psychological disabilities that require specific drugs, nutrition and medical treatment.

Rehabilitation also includes the short-run repair of roads, bridges, railroads and schools; the improvement of health services; the creation of employment; and the reactivation of agricultural production to allow for the rapid resumption of basic services and productive activities. Rehabilitation often involves labour-intensive community projects that can utilize former combatants as they disarm and demobilize until they can be reintegrated into society through longer-term productive activities. These programmes can be important in helping to maintain a cease-fire and avoiding the high delinquency rate that can result if demobilized soldiers are idle. The United Nations has the institutional capacity to deal with rehabilitation, mainly through the United Nations Development Programme (UNDP), the International Labour Organization (ILO), the World Health Organization (WHO), the United Nations Children's Fund (UNICEF), the Department of Humanitarian Affairs (DHA), the United Nations High Commissioner for Refugees (UNHCR), and the FAO.

d) *Removal of mines*

The clearance of mines is frequently a prerequisite for many other PCPB activities. It is a very costly operation and it can involve ecological considerations, since mines can often be eliminated only by burning large stretches of forest. Mines are not only a danger to the safety of the population but can also seriously impede agricultural production.

Because the clearance of mines is of such critical importance to PCPB, the United Nations is becoming more involved in this area. There are three possible ways in which the United Nations can intervene: i) by increasing mine awareness in the population and advising governments accordingly; ii) by training soldiers and others in mine removal, and iii) by organizing an international military unit to do the job.

The last of these options, however, is not generally feasible since countries are not usually willing to send their soldiers to demine other countries. In some cases, as in El Salvador, demining was carried out by private companies that rely on the parties in conflict for guidance in locating the mines. In other cases, as in Nicaragua, demining is carried out under the auspices of regional organizations such as the Organization of American States (OAS).

2. Demobilization and reintegration⁶

a) *Disarmament and demobilization*

More and more the United Nations has been called on to facilitate and verify the disarming and demobilization of combatants. This has often involved their cantonment, the storage, custody and disposal of their arms and the provision of short-term emergency programmes to satisfy their immediate needs in terms of food, documentation, tools and training.

b) *Reintegration*

The reintegration of ex-combatants, refugees, internally displaced persons and other groups marginalized during the years of conflict is often the most complex and challenging of the PCPB activities that the United Nations is asked to supervise. Success in this effort becomes particularly difficult in stagnant economies and in countries undergoing rigorous economic stabilization and structural reforms. The reintegration of these groups often makes it imperative to solve critical problems relating to the non-existence of property rights and the provision of credit, housing and technical assistance.

Reintegration often takes place through the agricultural sector, micro-enterprises, fellowships for technical and university training and even through the incorporation of former combatants into new police forces. Reintegration programmes for the disabled are of crucial importance. These involve not only short-run emergency medical rehabilitation (including the provision of artificial limbs, hearing aids, wheelchairs and specialized vehicles) but also programmes to reintegrate as many as possible into the productive life of the country, with financial support for those who are not able to support themselves as a result of their disabilities.

⁶ For a detailed analysis of the issues involved and the particular experience of different countries, see World Bank (1993) and Srivastava (1994). See also Del Castillo (in the press (a)) and the forthcoming studies carried out under the Overseas Development Corporation project on "Development Assistance in War to Peace Transitions", which looks at the cases of El Salvador, Mozambique, Nicaragua and Cambodia. For a review of the literature, see Weiss-Fagen (1994).

PCPB requires special efforts to satisfy the needs of other vulnerable groups, including children, women and the elderly. Children suffering from the devastating impact of war or other disasters require a wide variety of special services relating to health, education, training and rehabilitation. Policies should foster the reinstitution of family life, after years of conflict during which families often drift apart. Particular attention should be given to women who are forced to redefine their position in society by accepting new roles and responsibilities. In such circumstances, women are especially vulnerable and require support in terms of social services, access to credit, training, education and technical assistance.

3. Building institutions and promoting human rights

A very important activity that the United Nations is asked to perform in PCPB situations is the building or strengthening of national institutions and the promotion of human rights. This often requires major reforms in the constitution, the judiciary, the electoral system, the armed forces and the police. The United Nations has been involved not only in the design of such reforms but also in their implementation and verification, to ensure that they are carried out as agreed to by the parties and to facilitate the transition to democracy.

a) *Participatory system of government*

One of the principles of PCPB is that all members of society should be able to participate fully and freely in the civil, political, socio-economic and cultural life of the country in accordance with national standards. To this end it is essential to encourage freedom of expression; the right to vote, to participate in government, to organize political parties and to create trade unions; and good governance and accountability of public office. Since 1990, the United Nations has been more and more involved in the provision of technical assistance and supervision to ensure free and fair elections.

b) *Promotion of human rights*

This is one of the main building blocks of PCPB activities. One of the principal objectives of all institutional reforms carried out, including the drafting of new national legislation, should be the re-establishment of law and order in a framework which

will guarantee strict respect for human rights. In this area the United Nations has not only been asked to participate actively in the design of institutional and legal reforms, including the establishment of a national human rights commission and/or ombudsman, but also in tracing disappeared persons and assisting victims of human rights violations.

4. Longer-term reconstruction

The reconstruction of physical infrastructure, including damaged bridges, roads, railways and power utilities, and development of human resources and employment possibilities are of fundamental importance in the PCPB period, as efforts are made not only to recover the productive capacity of the country but also to restore access to former areas of conflict. The United Nations programmes and agencies, particularly the World Bank, UNDP, ILO and FAO, have the technical capability to play a leading role in this regard. However, the financial resources needed are not always available on preferential terms to allow

countries to carry out longer-term reconstruction in a reasonable period of time and with a reasonable chance of success.

Reconstruction activities can often provide productive employment for demobilized soldiers and other groups, but this employment should be on an ad hoc and transitory basis only. Giving these people official employment on a permanent basis could mean a bloated public service with a corresponding burden on public finances and efficiency.

5. Confidence-building measures

Confidence-building measures (CBMs) between or within States are a mechanism through which better relations and economic ties can be built. CBMs can be used to prevent conflict, but they are particularly important in PCPB. They can be used in the humanitarian, military, political, socio-economic or cultural fields. The United Nations could encourage their use, both as part of its preventive diplomacy policy and as part of its involvement in PCPB.

IX

Financing of PCPB

The international community can play an important role in the negotiation, implementation and verification of peace agreements by focusing world attention on the problems of the countries in question, facilitating agreement between the parties and pressuring them to comply with their commitments. However, PCPB would not be possible without foreign financing. As we mentioned earlier, countries coming out of armed conflict or socio-political upheaval find it particularly difficult to foster domestic savings or to attract private foreign capital in the short run. It is for this reason that countries in PCPB situations rely primarily on official aid flows (both bilateral and multilateral). Financing is unquestionably a most critical ingredient of and constraint on PCPB. Foreign governments often spend large amounts of money to support one side or another during a conflict, but because of the increasingly high demand for official aid flows and the serious fiscal constraints faced by many donor countries, they are more likely than ever to cut

their financial support and shift their attention elsewhere as soon as the conflict winds down.⁷ Because foreign financing is such an essential element of PCPB, the international community should realize that, by not supporting a particular country in this critical transition, it may lose the investment it has made over the years. The international community should also realize that in the end the cost of PCPB is but a fraction of what it would cost in terms of humanitarian assistance and future peace-keeping operations if the country ever reverted to war. A lack of adequate foreign financing can be devastating for a country in a PCPB transition, particularly since the so-called "peace dividend" is usually not very large where conflict was largely foreign-financed.

⁷ For a fuller analysis of the danger of this trend see De Soto and Del Castillo (1994b).

Emphasis on the role and responsibility of the international community in supporting PCPB should not, however, detract from the responsibility of governments and other domestic actors to provide appropriate legal, fiscal, judicial and institutional frameworks which are essential in order to foster domestic savings and to attract private capital flows from abroad. Although such frameworks take time to develop, without them a country will be unable to reintegrate large numbers of people into productive activities, let alone move into a development path, no matter how much foreign money is poured into its economy. The experiences of Nicaragua and Zaire bear witness to this. On the other hand, the experience of Bolivia, to which donor countries have pledged US\$1 billion in 1994, attests to the willingness of the international community to help countries that help themselves by following sensible domestic policies.

The experience of the United Nations with bilateral foreign financing of PCPB allows us to make the following points. First, donors are much more inclined to finance infrastructural and environmental programmes than programmes directly related to peace consolidation. In fact, the international community in general is reluctant to finance some peace-related programmes, particularly the creation of new police forces and political parties and the transfer of land to ex-combatants. While they fall outside traditional areas of foreign assistance, these programmes are often essential to the success of the peace process, although they may be politically sensitive in donor countries. Because of this reluctance the United Nations has to make a special effort to facilitate foreign financing. Since this type of foreign financing is largely decided at consultative group meetings, sponsored by the World Bank and with the participation of other financial institutions and bilateral donors, the United Nations can play a catalytic role in convincing donors of the critical importance of PCPB development programmes for the peace process.

Second, bilateral donors are increasingly imposing political conditionality, tying their aid to governments' compliance with peace agreements. Although this may eventually be a boost to compliance with the agreements, it may not ease the financial con-

straint in the short run. In addition to such political conditionality, countries in PCPB have to bear the economic conditionality imposed by the financial institutions and bilateral donors. Assistance from these institutions ideally should be on concessional terms, and the conditionality imposed by them should take into account the peculiarities of PCPB; it is not reasonable, for example, to demand the same level of macroeconomic adjustment from countries in PCPB as is demanded from other countries. The experience of the United Nations with PCPB indicates that economic conditionality often interferes with the ability of governments to finance peace-related programmes through domestic means such as deficit financing, or to provide preferential terms to particular domestic groups.⁸

Finally, it is a fact that the demand for foreign aid and financing has greatly increased as poverty, environmental degradation and natural and man-made disasters have resulted in increasing numbers of refugees, displaced persons and infrastructural damage. Where are the necessary resources going to come from? Today's reality is that foreign aid to developing countries is shrinking rather than expanding. The supply of aid is inelastic, as opposed to private flows whose supply expands easily in the presence of profitable opportunities. Furthermore, donor country governments are increasingly questioned on the use of their aid budgets, particularly by opposition parties within their own political systems. The slow growth, or even stagnation, and the high unemployment in many of the donor countries gives rise to constant pressure for selectivity and accountability in aid flows. For all these reasons, a country in a PCPB situation must make special efforts to reactivate its own productive capacity and foster domestic savings as quickly as possible to reconstruct its economy and reintegrate marginalized groups into productive activities.

⁸ For a description of the conflicts that may arise from the simultaneous implementation of a peace process, sponsored by the United Nations, and a stabilization and structural adjustment programme, sponsored by the Bretton Woods institutions, see De Soto and Del Castillo (1994a).

X

Concluding remarks

The need for the United Nations to become more immersed in the multidisciplinary aspects of PCPB requires major rethinking and an analytical and operational redefinition of relationships and comparative advantages, not only between the United Nations and the many bodies within the United Nations system, but also between the United Nations and those outside the system, such as the development banks and other regional organizations. In order to ensure an integrated approach, while acknowledging the importance of financing in PCPB, cooperation and a common agenda between the United Nations, the Bretton Woods institutions and the regional development banks is imperative.

Our experiences with PCPB in Namibia, Cambodia, El Salvador and Mozambique have allowed us to collect a body of evidence and experience – both good and bad – from which we can draw in the future, both in replicating policies and programmes that have worked and in avoiding situations and confrontations that have been counterproductive. This experience could be of value in post-conflict or other extreme situations of socio-political unrest such as those existing in Somalia, Angola, Guatemala, Haiti and the Gaza Strip and Jericho area. To this end, a Secretariat Task Force on PCPB, created by the Secretary-General in 1993 and chaired by Under-Secretary-General J. C. Milleron, was charged with compiling a catalogue of services which the United Nations can provide and concerns which the United Nations should bear in mind in PCPB situations. The Task Force was probably the first systematic effort at examining these experiences, but it was only a first step.

Only an integrated approach can avert the potential clashes of command and waste of resources that occur when various institutions carry out their specific mandates independently and without a common purpose. But in order to follow a truly integrated approach, it is essential first to build the necessary internal bridges between the political and economic sides of the United Nations Secretariat, including the economic commissions, so that they can join hands in pursuit of peace – or, more specifically, the consolidation of peace. Once this common approach is ingrained, the United Nations should work more closely with all of its programmes and agencies, par-

ticularly the Bretton Woods institutions and the regional development banks, thus enabling it to draw upon their human and financial resources in all matters of peace and security.

We are not proposing that the financial institutions should finance PCPB. Neither are we disregarding the restrictions on financing imposed by the by-laws and regulations of these institutions. The need to maintain the creditworthiness of the World Bank and the regional development banks must be respected. Furthermore, economic stabilization and structural reform are crucial ingredients of PCPB, and the consolidation of peace cannot take place without economic stability. However, it is important to display flexibility and pragmatism in the treatment of these ingredients when they may affect or endanger human security. The financial institutions need to accept that PCPB situations are unique and as such deserve as much concessional treatment as the regulations of these institutions allow. So far, these institutions have not succeeded in moving away from their pattern of “business as usual” when dealing with the unique conditions of PCPB – but unfortunately the same can be said of UNDP and other programmes and agencies of the United Nations system.

In the negotiation of peace agreements, the United Nations should work closely with other multilateral, regional and bilateral bodies, particularly the Bretton Woods institutions, to ensure that the peace accords are consistent with countries’ financial capacity; that programmes directly related to the peace process are adequately financed; and that governments do not use economic conditions imposed by the financial institutions as an excuse to avoid the politically difficult but crucial responsibilities of PCPB.

It must be determined which countries emerging from war or other crisis situations need special treatment. These countries face the double burden of implementing peace-related programmes in addition to normal development challenges. In these special cases, where human security is at risk, it should ultimately be up to the Security Council to call for “special treatment”, a fully coordinated approach and the pooling of resources from the different institutions.

(Original: English)

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