Economic Provisions in Peace Agreements

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Contents

Introduction

This paper constitutes a follow-up study to the CRU publication "Governance Components in Peace Agreements: fundamental elements of state and peacebuilding?" [1] and will focus specifically on the role of *economic* components of peace agreements.

Many recent studies have pointed to the importance of engaging in economic reconstruction in fragile states, so as to address important root causes of conflict -poverty and unemployment-, and to create the conditions for future economic development.[2] This is a difficult process, requiring work on both short-term (quick impact projects, creating jobs) as well as longer-term recovery (building institutional capacity to manage the economic process)[3.] It is therefore important to engage in this type of reconstruction as soon as possible, and it would seem that the signing of a peace accord is a good opportunity to bring economic issues to the fore. Peace agreements can potentially be defining moments where parties agree on new ways to deal with a range of divisive issues, including economic ones. Peace agreements, moreover, provide important entry points for the international community to engage in post-conflict reconstruction. A well-drafted agreement will ideally provide a cornerstone for (inter)national dialogue and serve as a foundational road-map for future development. This will be a very *political* process, of course: political and economic power are closely linked (the one giving access to the other), so any agreement on power sharing in one domain will impact on the other.

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1 Mezzera, M., Pavicic, M., and Specker, L., *Governance Components in Peace Agreements: fundamental elements of state and peacebuilding?* Clingendael Conflict Research Unit, May 2009.

2 P. Collier, A. Hoeffler and M. Soderbom, *Post Conflict Risks* (Centre for Study of African Economies, Department of Economics, University of Oxford, 2007.

3 For an overview of current practices in economic recovery after conflict, see Hugo de Vries and Leontine Specker, *Early Economic Recovery in Fragile States: Priority Areas and Operational Challenges*, Clingendael Conflict Research Unit, November 2009.

Rather limited research has so far been conducted on the topic of economic provisions in peace agreements. Much of the work ostensibly written thereon in fact focuses on addressing economic issues during peace processes[4]. They tend to leave the question of whether incorporating these issues in a peace agreement is a necessary prerequisite for successful economic recovery largely unanswered. This paper attempts to fill this gap and to answer the ***question if and how economic issues should be adopted as a (sub-)objective in peace agreements?*** The scope of this article is limited, and serves primarily to ***bring the issue to attention*** by providing an overview of the current debate, possibilities and practical difficulties of involving economic issues in peace agreements. As every (post-)conflict context is different, it should be noted that this paper does not make a general causal link between peace agreements and economic recovery; the precise interactions between the context and the approach will differ in each case.

As many challenges inherent in this topic concern the difficulty of concluding peace agreements in fragile states *in general*, these will be briefly discussed in section 1. Sections 2, 3 and 4 address the ways in which economic provisions in peace agreements may add to effective peacebuilding and offer three fundamental contextual influences which will decide whether the (political and developmental) environment is ripe for embedding economic issues in peace agreements. Section 5 will give three practical examples: Sudan, Burundi and Mozambique, in order to illustrate these contextual influences. Finally, the paper will conclude with a brief summary of the findings and potential entry points for the international community.

4 For example, Susan Woodward argues that '[peace agreements being very weak on economic aspects] is problematic because the success of the first phase of peace implementation is largely dependent on (...) sufficiently rapid economic revival to generate confidence in the peace process.' It is unclear how its *inclusion in a peace accord* is going to make a difference, though; addressing it and endangering the agreement may not be worth the effort, and economic recovery can be picked up by donors in due time anyway. Susan Woodward, *Economic priorities for peace implementation* (New York, 2002), 2.

1. The changing role of peace agreements

The last 15 years or so have witnessed a fundamental change in the role of peace agreements. Traditionally, peace agreements were meant to be the 'end' of a conflict, ending hostilities between (state) antagonists, after which a new page in the history between them could be turned. However, the protracted conflicts that came to dominate global politics from the early 1990s onwards fundamentally altered the view of what a peace agreement is meant to do[5]. This was largely a consequence of the changing reality of warfare. Instead of formalised engagement between two or more state parties, the 'new wars' were fought between intrastate groups and were often based on societal divisions: it was more of a social process than a strategic stand-off[6]. This made violence a seemingly disorganised but intimate affair, turning former neighbours against each other and leading to profound societal distortions.

Overcoming the mistrust between groups and creating some form of basic security and development (so that the parties do not fall back into their old behaviour) is a difficult, long-term process. This realisation has fundamentally altered the expectations of what a peace agreement is supposed to achieve. If it does not want to be solely a backward-looking[7], one-off 'scrap of paper' (a snapshot of the common ground between the demands of the parties at that particular time) it will have to be seen as a ***single part of a broader forward-looking process*** (i.e. peacebuilding). A peace agreement is (in many cases) only a beginning and is no longer an end in itself. Its success is no longer measured in terms of directly ending hostilities ('closure'), but rather in terms of its contribution to sustainable peace and development.
The influence which peace agreements have within the peacebuilding continuum will be highly context-specific, but it is clear that they do not occupy

5 This reconceptualization process was largely ushered in by the 1992 publication of the 'Agenda for Peace' by the then UN Secretary-General Boutros Boutros-Ghali and its introduction of the concept of peacebuilding.

6 See for instance Mary Kaldor, *New and Old Wars* (Cambridge 1999), Paul Richards, *No Peace, No War* (Oxford 2005) and Stathis Kalyvas, *The Logic of Violence in Civil War* (Cambridge 2008).

7 For instance, purely aimed at resolving the strategic difficulties that led the parties to go to war, see I. William Zartman, *Negotiating forward- and backward-looking outcomes* in: I. William Zartman and Victor Kremenyuk (eds.), *Peace versus Justice* (Oxford, 2005), 1-8.

the same sort of dominant position as before. ***Peace agreements alone no longer decide the way the peace is going to take form.*** The shape of the stalemate in which the conflict has ended[8], the (constantly shifting) incentives of the parties to keep the peace, and the general situation of (in)security and (under)development that move people to take up arms will most likely be the 'deciders' of the agreement's durability.

In difficult circumstances, agreements have an expiry date. In general, the further one gets from the conclusion of an agreement, the more likely it will be that external factors (rather than the agreement itself) are responsible for the fate of the peacebuilding process. Overall, then, placing the burden of success squarely on what the agreement says does not seem realistic.[9] Still, even when peace agreements are, practically speaking, only one cog in the peacebuilding machinery, their *symbolic* value makes them an essential aspect. Even if the former antagonists have no real intention of following the letter of the agreement, the fact that they have officially committed themselves to a specific agenda in front of third parties changes the entire (international) equation. Peace agreements, after all, ***provide an important means through which the international community can become involved***.

A peace agreement, whatever its worth, may to a certain extent transform former 'rebels' and 'warlords' into (relatively) legitimate development partners. As such, multilateral institutions, donors and NGOs can engage with them, set up a policy agenda, provide the state with loans, and recent 'pariahs' with development programmes to offer them a better future. In extreme cases, the peace agreement may even provide the international community with an excuse to intervene militarily if its provisions are broken. Whatever the initial intentions of the parties to the agreement were, may not be as important as the ***(positive) momentum*** that the agreement creates. A peace agreement can therefore potentially provide a platform for future development. This is easier said than done, of course, and will generally require extensive monitoring and constant political engagement with the former antagonists in question[10].

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8 Strategic positions often play a large part in parties' incentives to 'come to the table'. Compare Burundi and Sudan, for example. The Burundese FNL is a relatively small organisation which would not benefit much from staying in the bush to fight the government. It signed an agreement under very different circumstances from the Sudanese SPLA, which is a politico-military leviathan. The SPLA used the relative calm which the peace agreement provided to rebuild its forces, thereby awaiting the 2011 referendum on independence for the south of the country.

9 Jean Arnault, *Good Agreement? Bad agreement? An implementation perspective,* Woodrow Wilson School of Public International Affairs, Princeton University (undated).

10 Hence the wide range of tools and instruments designed to set up, implement and monitor peacebuilding activities in fragile states. A good example is the *Post-Conflict Needs Assessment* (PCNA) which the UN and World Bank undertake together with the national authorities to conceptualise, negotiate and finance a common shared strategy for recovery and development. The PCNA may help to set up a Poverty Reduction Strategy Paper (PRSP).

The impact which a peace agreement may or may not have on the peace process raises the question of ***how broadly it should be drafted***. The 'maximalist' standard dictates that if an agreement is seen as a framework for the future, its drafting process should be used to get the parties around the table in order to commit themselves to various sub-objectives like human rights and economic power-sharing. However valuable these objectives are in themselves, they still run the risk of overloading the agenda, bringing sensitive or highly contentious issues to the fore for which there are (as yet) no clear-cut solutions, dragging out the general drafting process[11] and producing agreements under external pressure that parties are simply unable to implement12. Sometimes agreeing to the lowest common denominator at that particular time ('what the traffic can bear') between the parties to stop them fighting each other may be the best option available: the 'minimalist' standard, so to speak. Moreover, if the international community distrusts the parties involved, it may not be willing to commit itself to (costly, but vaguely described) sub-provisions in an agreement[13].

Generally, whether there is sufficient scope to choose a maximalist position will be very dependent on the balance between the parties around the table. Should this balance be a fragile one, then pushing for the ***inclusion of too many sub-objectives may endanger the peace process*** before the accord has even been signed. Pushing for their inclusion would be based on questionable science as well: recent studies have cast doubt on the correlation between the inclusion of governance and human rights issues in peace agreements and actual positive outcomes.[14] The purpose of the following section is to examine whether this applies to *economic* provisions in peace agreements as well.

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11 Not to mention the fact that certain sub-provisions may contradict each other: for instance, one could argue that setting up a war crimes commission while at the same time exempting political leaders from prosecution is contradictory.

12 Alex de Waal, *Mission without End? Peacekeeping in the African political marketplace*, in International Affairs, vol. 85, issue 1, pp 99-113.

13 A warning example is the provision of demobilization and the reintegration of former fighters (DDR) in Sudan's Central Peace Agreement (CPA). Various donors signed up to the agreement, which committed them to a vaguely described DDR programme for which the circumstances (the likely future independence) were not at all right. Nowadays, the Sudanese often refer to the CPA whenever donors drag their feet on funding.

14 On governance issues, see Mezzera, Pavicic and Specker, *Governance Components in Peace Agreements: Fundamental elements of State and Peace Building?* (2009, pp. 11-12). On human rights provisions, see Tonya L. Putnam, *Human rights and sustainable peace* in Stephen John Stedman, Donald Rotchild and Elizabeth Cousens (eds.), *Ending civil wars. The implementation of peace agreements* (London, 2002) 237-271.

2. THE IMPORTANCE OF ECONOMICS IN CONFLICT (PREVENTION)

In the public debate, few issues have gained as much attention as a driver of conflict than the (political) economy. Conflicts may be driven by a number of reasons, but the lack of economic opportunities for (mostly) young men to make a living in a peaceful way is certainly amongst them[15.] Poverty and inequality make for an easy recruiting pool for warlords and political entrepreneurs[16]. Fragile states often suffer from the 'resource curse': the presence of valuable resources like minerals or oil often provides quick profits. As conflict offers various ways to gain access to these goods illegally, it may be in the best interests of warlords and political entrepreneurs to keep hostilities going as long as possible.[17] As a result, the 'war economy' that has developed during the conflict will not disappear immediately after the signing of a peace agreement. An economy is usually heavily affected by conflict, stripping people of their assets, houses, food, livestock, and employment. Resources like fertile land, water or mineral resources may create tensions when particular groups try to control them.

Overall, poverty and underdevelopment drive conflict, and conflict, in turn, weakens the economic situation of a country, leading to further poverty and underdevelopment: in effect a vicious circle, or ***'conflict trap'***[18.] It is therefore not surprising that economic recovery after conflict has gained more and more attention in policy circles over the last few years[19]. By providing people with opportunities to earn a living and showing them the advantages of peace (the

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15 This is *not* to suggest that economic drivers of conflict are the most salient ones in every single conflict. This paper is not the forum to rehash the 'greed vs. grievance' debate in conflict studies. Merely pointing out the importance of the political economy will suffice here.

16 See for example: Paul Collier and Anke Hoeffler, *Greed and Grievance in Civil War*, Oxford Economic Papers 56 (4) 563-596.

17 On the issue of conflict financing, see for example: Achim Wennmann, *The Political Economy of Conflict Financing: A Comprehensive Approach Beyond Natural Resources*, in *Global Governance* 13 (3) 2007, 427-444.

18 Paul Collier, *The Bottom Billion; why the poorest countries are failing and what can be done about it* (Oxford 2007), pg. 17-37

19 For an extensive discussion on the what, who and how of early economic recovery after conflict, see De Vries and Specker, *Early Economic Recovery in Fragile States.*

so-called peace dividend), a return to conflict can hopefully be averted. This is not to say that the actual record of economic recovery after conflict has been continually positive, but the recognition of its importance is certainly there.[20] This is in fact already quite a break from the past when conflicts were mainly explained in terms of power struggles over the state, ideology, and ethnicity.[21] As a result of this, peace agreements were usually focussed on matters of political power-sharing and enforcing security, and either did not take economic issues into account, or left them as an issue to be addressed later on, after the agreement had been signed.[22]

Recognizing both (1) the importance of the economy in either driving conflict or rebuilding society; and (2) the problems involved in a 'maximalist' drafting of peace agreements, (how) can economic provisions be adopted as a sub-objective in peace agreements? From here on this paper will mention the ways in which economic provisions in peace agreements may add to effective peacebuilding. Subsequently, three fundamental contextual influences which will decide whether the (political) environment is ripe for embedding economic issues in peace agreements will be discussed. The case studies of Sudan, Burundi and Mozambique will be used to illustrate these contextual influences.

20 See for instance Mac Ginty, *Contemporary Peace Processes*, 48. See also Specker & De Vries.

21 Cynthia Arnson and I. William Zartman, *Rethinking the economics of war: the intersection of need, creed and greed* (New York, 2005).

22 Graciano del Castillo, *Rebuilding War-torn states. The challenge of post-conflict economic reconstruction* (New York, 2008).

3. The potential contribution of economic provisions to peacebuilding

How, in theory, can economic provisions in peace agreements contribute to sustainable peacebuilding? It may be useful to discuss, first, what happens if economic provisions are not included. As mentioned, political and economic power are very often closely linked. Economics may be first and foremost in the minds of the powerbrokers around the negotiating table (who receive direct benefits from the exploitation of resources) as well as their fighters (who would make a less profitable living outside the war economy) and the general population (suffering from unemployment, lack of access to land etc.). With the future of such a wide audience directly linked to the structuring of the post-conflict economy, brokering a deal on political power-sharing alone will simply be incomplete. Leaving economic issues like the control and exploitation of and trade in natural resources ***unaddressed permits the structural conditions for violence to persist.***

Moreover, if economic issues are not addressed as soon as possible, future mediation attempts may become a lot more difficult. As protagonists still have their ill-begotten wealth to fall back on, offering them 'economic carrots' in exchange for their cooperation will have less effect.[23] This increases the possibility of 'spoiler' behaviour, as groups may simply walk away from the table if the process does not answer their expectations. Overall, neglecting the economy from day one will potentially lead to a longer period of instability, and thereby a serious delay in peace dividend for the people who need it most. Conversely, ***a peace agreement theoretically provides a good entry point*** to prevent these dynamics from occurring. After all, peace negotiations tend to be one of the few moments in the peacebuilding continuum during which the international community may be relatively single-minded, motivated, and willing to assert political pressure and offer financial incentives for compliance. ***Engaging with economic matters early on has the potential of benefiting (1) the political process of coming to a peace agreement, as well as (2) the durability of the peacebuilding process as it emerges from the agreement.***

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23 Wennmann, *Money Matters. Economic dimensions of peace mediation*, 12-13.

To address the issue of the political process first: paying attention to the economic dimension of a conflict before coming to the negotiating table ***prevents mediators from 'flying blind'.*** Gaining an insight into the economic background and positions of the conflicting parties will help mediators to identify (1) the 'kind' of conflict they are actually dealing with; (2) leverage points to move the parties on during the negotiations24; and (3) to what extent economic issues can provide some sort of common ground between the parties and society as a whole. Finally, even if it is impossible in the end to insert economic provisions into the agreement, having tried to do so will at least have had a ***signalling effect***, which may lay the foundations for future reforms and raise a few (warning) flags for donor and multilateral engagement with the state in question.

A second, and perhaps more important result of attention to economic provisions during peace agreements is that ***it provides the peace agreement with more durability***, as it helps to prevent (or at least to delay) future conflict. That is provided that the provisions are both conflict-sensitive and implementable, of course. A firm and coordinated (international) effort to rebalance the economy between the various antagonists and society at large may transform – although generally only in the long term - the fundamentals which initially contributed to the armed conflict.25 This will impact on both the armed actors (potential spoilers) as well as the general population.

Provisions for Economic Governance

Achim Wennmann helpfully sets out a few economic provisions which may be taken up in a peace agreement[1]:
Taxation Arrangements provide a means of projecting present income into the future, and circumventing 'unofficial' taxation as set up by militant groups. It is therefore a confidence-building measure as well.
Budget Transparency accounts for state revenues and expenditure, making these accessible to external scrutiny and reducing corruption.
Natural Resources Funds pool revenue from the exploitation of natural resources. This makes a resource-fuelled economy less subjective to global economic swings and allows for the mapping (and scrutiny) of the sector.
Sharing Agreements decide on the ways in which the revenues from natural resources are divided between the parties.
Commodity Tracking Systems set up mechanisms which track specific commodities through a value chain, from the site of exploitation to the markets.

24 Céline Yvon, *Mediators and economics? Should they care?* AFRICA Mediators Retreat 2009 (Oslo, 2009), 23-26.
25 Wennmann, *Economic Provisions in Peace Agreements and Sustainable Peacebuilding*, p. 57.

To start with the spoilers: reshaping the economic framework fundamentally ***changes the opportunity structure in which groups decide to spoil, or refrain from spoiling the peace process***. For instance, by striking an agreement on the division of resources or dividing land between them, groups will have to reorient their economic future in more holistic terms, i.e. in *comparison* with other groups with their own economic claims. In fact, it is worthwhile to approach economic issues for their ***potential to build consensus*** between groups instead of just antagonism. There may be a clear economic reward to peace, as it allows for economic growth to resume: instead of fighting over a shrinking cake, parties may be more willing to work together as the size of the cake increases. This is quite a paradigm shift: a much more positive take on the economy as a tool to bridge gaps between potential spoilers, instead of functioning as the usual bone of contention between them. Economic issues may be the 'lowest common denominator' available to the parties around the table: something they can actually negotiate over, instead of automatically retreating into zero-sum, inflexible positions (as often happens over political power-sharing, for instance). The post-conflict phase is going to be a period of great uncertainty, and all parties may benefit from a transparent division of economic resources and means. The opportunity costs for non-settlement are raised as well: if the various actors around the table get together around a shared economic platform and one of the parties refuses to cooperate, it may be 'left out' while the others start on the path of economic reconstruction. Provided that this does not push the particular actor to return to war, it may decide to cooperate with the other parties after all[26.]

The case for pushing for economic provisions during peace agreements lies, as Wennmann has put it, '...in the creation of a framework for post-conflict economic governance which increases the *predictability* of economic transactions (...) in fostering consensus and *shifting the interaction between armed groups from the emotive to the pragmatic.*'[27] Agreeing on economic issues may even build some trust between the various groups, and may translate into progress on political issues as well.[28] This will certainly be a balancing act. All too abrupt changes may be resisted if they seem to be directly detrimental to the group in question. Nonetheless, paying early attention to a process of economic 'give and take' between the antagonists may benefit all groups in the longer term, and contribute to stability.

As mentioned, however, spoilers are only one (albeit influential) part of the post-conflict 'audience' of an agreement, and sometimes even a temporary one:

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26 This is a variation on the 'departing train' strategy of spoiler management, as developed by Stephen John Stedman. Stedman, *Spoiler Problems in Peace Processes*, in Brown et al., Nationalism and Ethnic Conflict (2001) p. 366-415.

27 Achim Wennmann, *Economic Provisions in Peace Agreements and Sustainable Peacebuilding* in: *Négociations* 1 (11) 43-61, , pages 44 and 36. Author's emphasis.

28 '(...) the process of cooperation between the antagonists on functional issues such as economic development and social inclusion will dissipate some of the tension from constitutional, security and territorial issues.' Wennmann, 48.

elites and powerbrokers come and go, but the general economic fundamentals for most people stay the same. Economic provisions should therefore not only serve to prevent spoiler behaviour, but above all to ***sketch a framework for future opportunities for the population at large.*** This would serve to remove some of the root causes of conflict: poverty, inequality, and a lack of access to economic means. An agreement that takes economic issues into account should find it much easier to gain popular support as well.[29] As it engages directly with issues close to people's daily concerns, it 'democratises' the peace agreement, and ***prevents it from becoming an elitist project.***

The potential of involving economic provisions in peace agreements as mentioned above all sound very well on paper. However, many a 'technical' plan has stalled when it did not take the ever-changing political surroundings of fragile states into the equation. There is clearly a gap between what *should be* included from a technical point of view, and what is actually feasible considering the situation 'on the ground'. So when is the political situation (roughly) right to include political provisions? A few general aspects are outlined below. It should be noted that fragile states differ fundamentally from each other, so any 'general' points of attention will be of an aggregate nature.

29 'Peace processes that prioritise development and attempt to meet real aspirations and needs stand a greater chance of gaining public approval and achieving longevity', Darby and MacGinty, 49.

4. THE FEASIBILITY AND USEFULNESS OF INCORPORATING ECONOMIC ISSUES

Whether the agreement will turn out to be merely a consequence of the preordained positions around the table (reflecting the lowest common denominator) or have actual transformative potential for the economic situation will be a difficult matter to assess up front. Basically, ***three general circumstances will influence the feasibility*** (and usefulness) of embedding economic provisions into peace agreements: 1) the economic positions of the antagonists around the table (i.e. is there space for agreement in the first place?); 2) the general developmental situation of the country (i.e. if there is space, and the opportunity presents itself, will inclusion have any added value?); and 3) the agreement's implementation mechanism (i.e. is there pressure to comply with the provisions?) It should be noted that this subdivision into three variables is a hypothetical one: as mentioned before, too little research into the role of economic provisions has been conducted to be able to formulate any evidence-based causal mechanisms.

1. Economic positions of the antagonists

The economic positions and backgrounds of the parties around the table will influence the margins within which there is space to adjust the peace agreement to reflect economic dilemmas. The extent to which the antagonists' positions are influenced by economic considerations (and especially the extent to which their political power is based on economic prerogatives) will often influence how far and to what extent they will be willing to incorporate economic provisions in an agreement. The economic ***areas in which the 'pain points' for these players lie may differ fundamentally*** per conflict. For instance, in agricultural communities, warlords or politicians may have a stake in (access to) land or water: they may own land, control access to it, gain rents from it, want to expand their grip on specific geographical areas, and compensate their (rural) followers in terms of land or cattle. These actors will be unlikely to agree to economic arrangements which fundamentally challenge their access to land or water (for instance, through land reform). Compare this to warlords or politicians who have a stake in more 'quick win' areas like mineral wealth. They receive relatively direct rents from shady business deals with (international) entrepreneurs, which are used to pay their fighters. The incentives for these players will be fundamentally different from those of politicians and warlords with a 'rural' background and interests. They may very well agree to embed economic issues that benefit the country as a whole (like land reform) as they receive their rents from a different source anyway. All in all, then, it is very difficult to engage with issues closely linked to the key players' economic interests, and easier to do so with issues which are less financially harmful to them.

Mapping the economic interests, incentives and power of political players will help mediators to find common ground between their positions and ***identify the 'margins' within which they will be willing to compromise.*** This will also depend on how politicians 'rate' their economic considerations vis-à-vis the other matters they wish to get out of an accord, of course. It may very well be that, for some players, political inclusion or cultural recognition (through minority rights, for instance) are much more important than economic issues. Finally, it will depend on the ***relative strength of the players***, which may have been decided during the conflict: if the fighting ended in a clear victory for one side, this will translate itself into how much the parties around the table will be willing to give and take from each other. In the end, this economic mapping exercise should be able to shed some light on what is perhaps the most important question: ***whether addressing economic issues is sufficiently important to take the risk that one of the parties is going to walk out of the peace agreement.***

2. General developmental situation

The general development situation in a country should inform the decision on whether to push for economic provisions in peace agreements. After all, conflicts cannot just be averted by handling the potential spoilers, but by taking away their pool of recruits as well, i.e. by addressing unemployment and underdevelopment. 'Ordinary' people usually have no official place at the negotiating table, so unless they are represented by conscientious politicians, NGOs or multilateral organisations it is important to consider their interests beforehand. Perhaps the most important questions to be answered are the following: *on what do the majority of the people depend to make a living and what are the economic growth sectors?*

As mentioned above, elites will usually not be interested in including economic provisions which would hinder their control over their direct economic interests, whether this would be in the best interests of the rest of the population or not. The result is that ***the more people are employed in sectors where elites have interests, the more difficult it will be to do something for them.*** It is necessary to identify potential employment sectors where there are fewer interests as well. Once these sectors have been identified, it should be assessed whether it is useful to translate these insights into actual provisions for the agreement. For instance, in countries where the majority of the people are dependent on agriculture and small businesses to make a living (both sectors which may be quite influenced by rules and regulations), but politicians mainly care about mineral wealth, it will be easier to find some space in the agreement for provisions on land reform or easing business laws. If, on the other hand, a large majority of the people work in high-stake industries like oil or minerals, with lots of vested political interests, there will be much less space for this.

In general, though, it seems that ***embedding economic provisions into a peace agreement is usually not the decisive factor for economic recovery.*** Needless to say, economic recovery requires a great deal of time and effort. For instance, including a provision on land reform will not translate into immediate growth rates for small farmers, and in the short run, embedding provisions into an agreement will mainly be useful as a signal to the population that their concerns are being heard, thereby ‘democratising’ the peace process.

This should lay to rest any concerns that peacebuilding is *only* going to be effective if economic provisions are taken into account in an agreement. In fact, most peace agreements do not have clearly defined provisions for economic development, and this has so far not stopped the international community from setting up programmes to this end anyway. After all, peace agreements are no longer the alpha and omega of peacebuilding. If the window of opportunity is there to include economic provisions, it is always worthwhile doing so, especially if the conflict has revolved around contentious economic issues. For the peace process to be successful in those contexts, there should be *some* point in time during which economic issues are addressed[30]. However, if it cannot be done during the agreement phase, there will likely be other opportunities to engage in economic recovery at later moments as well. For example, the (earlier mentioned[31]) PRSP process may be a good opportunity to build momentum for economic recovery: donors will set their own conditions for the spending of development aid, after all. Finally, it should be noted that a peace agreement serves to prevent a recurrence of war in the short term: if the choice is between antagonising the political players around the table or leaving out economic issues for the moment, the latter should prevail.

3. Implementation mechanism

Having mapped the economic positions of the main protagonists as well as the potential benefits for the general development situation, a final step may be taken by looking at the agreement’s ***implementation mechanism***. The various competing agendas and the general difficulty of early economic recovery in fragile states mean that if there is scope for the incorporation of economic

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30 There are many examples of post-conflict states where economic issues have not yet been addressed because it is simply too difficult, and where economic issues remain a stumbling block for stability. See for example the DRC. See for example Sylvie More and Henri Boshoff, Reinforcing *efforts to seize the fleeting window of opportunity in North Kivu*, CRU policy brief # 6, 2008.

31 See footnote pg. 3.

provisions, there will have to be a realistic implementation and monitoring mechanism. Where political systems are very exclusive, it is unlikely that a peace agreement will suffice to pave the way for the fundamental economic changes needed, even if this is drafted perfectly in certain provisions. The business of those who have signed the agreement will have to be regularly checked, development must be monitored to see what (institutional) difficulties remain to be taken care of, etc. The institutions leading the monitoring must have the political clout and the capacity (resources, personnel) to be able to fulfil their tasks and call the parties to order where necessary. This need not be a top-down international exercise. By involving, for instance, the local private sector with a stake in the proceedings, or other civil society actors, there may be 'bottom-up' pressure on politicians to comply as well.

However, ***there must be consequences if the economic provisions in the peace agreement are broken***, be it in the form of political pressure, the cutting of development aid or other sanctions. This is going to take time, money and political attention from the international community, which it may not be willing to deliver. This aspect needs to be assessed carefully before pushing for economic provisions as well. The protagonists around the table usually have a rather good idea of how far the donors and multilaterals are actually willing (let alone able) to enforce compliance with the agreement, and will adjust their behaviour accordingly. Conversely, the majority of the population may have placed their hopes on those economic provisions and may subsequently be disappointed (with all due effect for the peacebuilding process) if it transpires that international attention ran out after the ink dried on the agreement signatures. If only to manage expectations, the ***international community should assess its own willingness*** to stick to its implementing mechanism. If the willingness or the capacity to force the provisions of the peace agreement is not there, should economic provisions be included anyway? Perhaps paradoxically, yes, it may still be done. ***Even if the parties to the agreement have signed up in bad faith, it may still be useful to include economic provisions.*** After all, a peace agreement is a snapshot in many ways: circumstances and powerbrokers change over time. When state capacity increases and development picks up again, the provisions signed in the past may provide a platform for holding present (more responsible) powerbrokers to account. At the very least, this will keep the road to reform open. At the same time, phrasing the economic provisions in the agreement should be done ***extremely carefully.*** There is always a risk that if certain provisions are adopted to keep particular spoilers happy in the short term, it may be very difficult to rescind these prerogatives later on and to replace them with something more equitable. Whether or not the time is ripe to adopt economic clauses or leave them for later on in the process will be heavily context-dependent.

5. PRACTICAL EXAMPLES: SUDAN, BURUNDI AND MOZAMBIQUE[32]

The three cases of Sudan, Burundi and Mozambique show the limited impact that the incorporation of economic issues in peace agreements has on peace processes. Sudan and Burundi's peace agreements could be considered 'maximalist', containing provisions for land tenure and wealth sharing. The Mozambique agreement was more 'minimalistic', mentioning only the importance of socio-economic provisions for the return and reintegration of former combatants and refugees. Despite the fact that they incorporated economic issues, economic recovery has been much slower to get off the ground in Sudan and Burundi than it has in ('minimalist') Mozambique. Sudan and Burundi are also good examples of how the above-mentioned economic positions of the antagonists (Sudan) and the general development situation of a country (Burundi) trump well-drafted economic provisions in a peace agreement.

1. Sudan

As the dividing line between North and South Sudan runs through a number of (existing and prospective) oil fields and contested rural areas, it was clear to the mediators of the 2005 Central Peace Agreement (CPA) that economic issues had to be tabled. Under heavy (especially US) pressure, both sides agreed to an extensive Wealth Sharing Agreement (WSA) under the CPA. Amongst other things, the WSA provides for an equitable division of oil revenues between the north and south and for the fiscal and financial allocation of other means of income. It also sets up two reconstruction funds for North and South Sudan (complemented by the donor MDTFs for the two regions).

However, despite its economic equity-oriented phrasing, the CPA is of an intensely political nature. North and South Sudan may have agreed to an integrated government structure, but 2011's referendum on independence

32 These examples are based on preliminary desk studies on these countries by Pyt Douma and Leontien Wagenaar for the Conflict Research Unit. For other useful case studies on economic provisions in peace agreements, see Achim Wennmann, pp. 43-57.

hovers over the proceedings and both sides came to the table expecting to make the most out of its economic provisions before that time.

This is reflected in the provisions relating to both the general economic situation and the sharing of oil revenues. The general economic provisions are not sufficiently detailed to call anyone to order, and they do not set any specific objectives to be attained. This was a 'blessing in disguise' according to some international actors, as it was clear that the donor community and the government (of South Sudan, especially) had very divergent views of economic goals and their timeframe, and neither was willing to risk the fate of the negotiations over this specific issue. The provisions relating to oil revenues, by contrast, are quite detailed (and were agreed upon between South Sudan and the IC), but hinge on several other factors which disrupt their implementation. For example, before any headway can be made on sharing oil revenues, the question of the border between north and south must first be addressed, and with it the question of the ownership of particular oil fields in the border area. This will effectively leave the division of oil fields and other valuable resources an open question for the future; both the North and the South use proxy tribal forces and tribes to control specific areas, leading to increased local conflict. All in all, it is clear that although the CPA extensively addresses economic issues, there is a ***lack of political will on the part of either one of the parties to actually implement these provisions.*** This makes the CPA a prime example of how parties' economic agendas will negate a peace agreement's provisions.

2. Burundi

The Arusha Peace and *Reconciliation Agreement of 2000*, which brokered a power-sharing deal between the government and the (then) largest rebel faction, the CNDD-FDD, contains a particular protocol (no. IV) which deals with 'Reconstruction and Development'. The protocol is quite detailed: next to general principles regarding economic reconstruction, it provides guidelines and lays down concrete economic activities to be set up by the government for the return of vulnerable groups (IDPs, refugees). Another article spells out in detail the distribution of land and the property rights attributed to these returnees. This particular incorporation seems to be no more than logical: ***land is the driving force as well as the Achilles' heel*** of the Burundian economy. Between 2000 and 2008, some 260,000 returning IDPs and refugees (not counting the ex-combatants) had to be 'absorbed' by an overburdened and overwhelmingly rural economy.

Land shortage remains an acute problem, and not one that can be addressed by only adapting the outdated system of land registration as stated in Protocol IV. Moreover, in the absence of a capable state controlling access to land, informal rules apply and there is plenty of opportunity for unscrupulous traders, politicians and military actors to muscle their way onto plots of land. In other words, the main economic problem may have been 'addressed' in the agreement, but not in a realistic or implementable way. In the end, the incorporation of economic issues into the Burundian peace agreement ***did not make the sort of difference people had hoped for mainly because of the general development situation in the country.*** The simple fact that there are too many people for the amount of arable land in Burundi meant that land reform would have been a very difficult issue to resolve regardless of whether it was addressed in a peace accord. From the point of view of the economy, a differentiation of the productive sector should be highest on the agenda, but concretely translating this into protocols for a peace agreement would have been an impossible task.

3. Mozambique

Contrary to Sudan and Burundi, Mozambique is an example of a country with a ***'minimally' drafted peace agreement***. Regional economic inequality was one of the causes of the conflict between Frelimo (government) and Renamo (rebels), and the 1990 joint communiqué in which both parties stated their intent to negotiate a settlement recognized this explicitly. However, the 1992 General Peace Agreement (GPA) did not translate this recognition into any specific economic protocols, with the exception of those related to the return of refugees and former combatants (protocols III and IV). Even in this process, however, the need for economic programmes was recognized, but few concrete suggestions were made in the GPA on how to handle this. The reason why so little attention was paid to economic provisions was quite simply that it seemed unnecessary to both the parties and the international community at the time.

Agreements on development aid and economic liberalisation had been made with Frelimo even before the GPA was signed, and continued parallel to and after the peace negotiations. Economic programmes may not have been mentioned in the agreement, but could actually be set up in former Renamo-held territory for the first time because of it (after donor pressure on the government to do so). Overall, even though the peace agreement was not really a reference point for economic recovery, Mozambique is nowadays known as a relatively 'successful' case amongst the post-conflict countries. It must be noted that this was also because of Mozambique's particular features at the time of the negotiations: a clear victor (Renamo) leading to more decisiveness at the negotiating table, an intensely war-weary population, plenty of arable land to support returning refugees and ex-combatants, and an international community that was willing to provide the resources for economic recovery which everyone agreed were needed. Mozambique is a ***perfect example of the way in which economic recovery can take off without it being addressed in a peace agreement.***

6. Conclusion

Is it useful to incorporate economic provisions in peace agreements? There is no singular answer to a general question on such a highly context-specific issue. Overall, though, this paper doubts the extent to which the incorporation of economic provisions in a peace agreement is a *necessary prerequisite* for successful economic recovery. The effect of the actual inclusion of such provisions will depend to a large extent on the specific context and former conflict dynamics. To sum up the findings of this paper:

Overall, mediators ***should always try*** to incorporate economic issues in peace agreements in a conflict-sensitive way. This will require an assessment of their potential impact on the conflict beforehand. Even if the parties do not intend to fully comply, engaging in economic issues during negotiations will map the manoeuvring space of the parties, create grounds for economic collaboration, and set out a number of issues that future administrations may be willing to pick up. In the best case scenario, economic provisions may be the 'lowest common denominator' that paves the way for overcoming other issues.

At the same time, embedding economic provisions is ***'the art of the possible'***. Its usefulness will have to be decided on a case-by-case basis, depending on (1) the economic positions of the antagonists (basic negotiating space, distribution of power); (2) the general developmental situation in the country (its actual potential to address root causes of conflict); and (3) the implementation mechanism (incentives to comply).

The value of economic issues in a peace agreement may not necessarily be in their direct implementation, but in their ***flag-raising role***, emphasising an important issue of concern. In every case, mediators should only push for economic provisions if doing so does not raise the spectre of renewed conflict. In any situation, (short-term) ***stability comes first***. If the direct economic causes of conflict cannot be addressed in the peace agreement, space should be created to address them sometime during the follow-up period.

In the end, though, omitting economic provisions does not mean that there will be no ***other possibilities to engage in economic recovery***. Peace agreements are only one part of the peacebuilding process, after all.

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