

Poverty Reduction Strategy Process in Fragile States:

Do the PRSPs contribute to post-conflict recovery and peace-building in Sierra Leone? ¹

Masatomo Nao Yamaguchi

Research Fellow,

HiPeC, Hiroshima University

nao@runbox.com

Address: c/o IDEC, Hiroshima University 1-5-1 Kagamiyama, Higashi-Hiroshima, Hiroshima 739-8529 Japan

Abstract

Policy discussions on 'fragile states' have become one of the key policy agendas in international development. At the same time, development agencies are progressively involved in assistance in conflict-affected countries. Some of the key issues in the discussions include how to reduce poverty as well as how to ensure durable peace in the fragile states by utilising development instruments. This paper particularly focuses on the Poverty Reduction Strategy (PRS) process, which was introduced to low-income countries, including post-conflict countries, by the international financial institutions (IFIs). Its feasibility and implications of the process for peace-building are scrutinised by looking at post-conflict Sierra Leone as a case study. It highlights the lack of consideration for conflict-related issues in its framework, even though there are some embedded propositions that can theoretically contribute to peace-building. Based on the case study, however, it is argued that it is still essential for the PRS process to be reformulated to reflect greater 'conflict-sensitivity', if it were to be one of the remedies for peace-building and poverty reduction in fragile states.

Keywords: PRSPs; peace-building; fragile states; Sierra Leone; post-conflict assistance

Introduction

The international community has faced at least two major challenges since the 1990s: one is poverty, the other is war, especially conflict within countries. The issues of poverty initially became one of the policy priorities in international development in the 1970s. However, they were soon overtaken by the Structural Adjustment Programmes (SAPs) in the 1980s. It is, nevertheless ironic that the re-emergence of the agenda in the 1990s was in part a result of harsh consequences of the SAPs as well as the new wave of globalisation. Worsening the poverty level within as well as across countries, ultimately led to reconsolidation of international efforts on poverty reduction. The Millennium Development Goals (MDGs) and Poverty Reduction Strategy Papers (PRSPs), as a result, were initiated in the 1990s.

On other hand, the internal conflicts have also started to pose significant challenges to the international community since the end of the Cold War. The number of conflicts rose dramatically. More civilians became targets of direct

violence. Large-scale displacement of populations and gross human rights abuses became common phenomena in humanitarian crises. Subsequently, averting the worst misery became a top priority in the international community. From the mid-1990s, not only peacekeeping but also peace-building is increasingly perceived as essential elements for the consolidation of peace and the prevention of the reoccurrence of conflict.

It is, nevertheless, a fairly recent phenomenon that the two issues, poverty and conflict, are discussed at the same table. Indeed, the former used to be dealt with largely by development agencies, while the latter was largely handled by the security and humanitarian sectors. However, since the beginning of the new century, there have been growing developmental needs within the international community to achieve the MDGs, on the one hand, and a response to the imminent security concern generated by the September 11th attack, on the other. These ultimately resulted in an increased pronouncement of the issues in an interrelated manner, particularly by policy makers and political leaders.

Policy discussion on 'fragile states' is one of the symbolic examples of this convergence. Though the precise definition of the term is still under scrutiny, it often refers to a range of failed, failing and recovering states, the core functions of which are severely set back to the extent where the sustainable livelihoods of their citizens is no longer entrusted (DfID 2005). The discussions are apparently underpinned by concern that "ignoring [fragile] states can pose great risks and increase likelihood of terrorism taking root" (USAID 2005, p.1). Extensive policy discussions have been made by various development institutions as well as security apparatus to 'turn them around' (OECD 2001; World Bank 2002b; DfID 2005; USAID 2005).

Some of the main issues in the discussion are how to reduce poverty and to ensure durable peace in fragile states. Particularly, development institutions have explored how their instruments can be an effective tool in these respects. Meanwhile, they also have responded to need in fragile states by creating new aid schemes as well as applying existing frameworks flexibly. In some cases, however existing schemes have already been implemented without scrutinising their applicability and possible risks in a volatile environment.

The Poverty Reduction Strategy (PRS) process is, in fact, one such example. It purports to be a country development strategy which aims at pro-poor growth and poverty reduction, introduced by the international financial institutions (IFIs). It has been the major aid framework for low-income countries since it replaced the SAP in 1999. Without exception, however it has also been introduced in many conflict-affected countries, as development agencies have been increasingly involved in post-conflict assistance. Indeed, among 54 countries which presented either their full PRSP (f-PRSP) or interim PRSP (I-PRSP) to the IMF and World Bank Boards, 16 were actually considered 'conflict-affected'² by the World Bank as of November 2004.

The wide introduction of the scheme, in fact, contrasts with the fact that there has been little consideration of conflict-related issues in the policy framework of the process. This may be inevitable, since the Bank's operations in post-conflict countries were conducted in an ad hoc manner and were defined by a policy guideline which was primarily developed for post-natural disaster assistance until 2001. In addition, they also considered conflict-related issues to be out of their mandate until the end of the Cold War, on account of their Articles of Agreement precluding it from interfering in 'domestic affairs' and questioning the political characteristics of a member state³.

Such lack of consideration nevertheless raises questions over their impact on nascent peace and recovery processes, as well as their feasibility under very volatile circumstances. This is especially so because it may lead to detrimental

impacts on nascent peace in conflict-affected countries. If development instruments are to be effective remedies to address problems in fragile states, it is essential to ensure that they cause 'no harm'. This article will, therefore, scrutinise the implications of the PRS process for conflict-affected countries, and investigate whether it contributes to post-conflict recovery and peace-building. Since poverty issues are increasingly perceived as an aspect of security as well as development problems, such enquiry is indispensable.

This article will assess these by focusing on some of the embedded propositions which the PRS process can positively contribute to post-conflict recovery and peace-building. To begin with, the first section will examine the conflict-sensitivity of the PRS process applied in fragile states. The second section will explore theoretically the potential linkages between the embedded propositions of the process and peace-building. Poverty reduction, economic growth, and participation will be particularly focused upon. On the basis of the theoretical examinations, the PRS process in Sierra Leone will be looked at as a case study in the last section. It will investigate how the identified propositions are functional and contribute to peace-building in post-conflict Sierra Leone.

It will be shown that although there is no explicit consideration on conflict, there are at least three propositions which are embedded in the process which can have a positive impact on peace-building in fragile states. It will be also argued that there are, on the other hand, several constraints and limitations in the application of the PRS process in fragile states and, therefore, there is a need to modifying it to become more conflict-sensitive.

1. Poverty Reduction Regime in fragile states

The PRS process is primarily a development assistance framework for low-income countries. It consists of PRSPs, the Poverty Reduction Growth Facility (PRGF) and the Heavily Indebted Poor Countries (HIPC) Initiative. Without a PRSP, low-income countries access neither low-interest loans nor debt relief from the IFIs. Since the process is not designed specifically for conflict-affected countries, it may be assumed that PRSPs have not been widely implemented. However, in reality, some countries, like Burundi, DR Congo and Sierra Leone, are still in conflict and have prepared their I-PRSPs. In fact, conflict-affected countries already make up nearly 30 percent of those that prepared PRSPs, as of November 2004.

The fairly wide implementation of the PRS process inevitably poses the question as to what kind of arrangements have been made for those conflict-affected countries to participate in the process. Nevertheless, it seems that there has been no serious consideration of conflict-related issues in the policy framework of the PRS process until recently. In fact, there is little discussion about the topic in IFI's policy guidelines and evaluations. For instance, it is rarely addressed in the two key policy guidance papers for the PRSP and PRGF prepared by the IMF and World Bank (IMF 1999; IMF and IDA 1999). In the *Sourcebook for Poverty Reduction Strategies* (Klugman 2002), there is no section on the application of the PRSP in conflict-related countries. Likewise, four guideline papers for the joint IMF and IDA staff assessments neither discuss the application of the PRSP in volatile political circumstances, nor its impacts on conflict (World Bank 2000; World Bank 2001a; World Bank 2001b; World Bank 2002a). Even in the evaluation reports on the PRSP published by the Operations Evaluation Department of the World Bank, and on the PRGF by the Independent Evaluation Office of the IMF, there is no reference to conflict-related issues at all (IMF 2004a; World Bank 2004). Though the Bank's Conflict Prevention and Reconstruction Unit (CPRU) finally started conflict-sensitivity assessment of the PRSPs from 2004 and has published a report, *Toward a Conflict-Sensitive Poverty Reduction Strategy* (2005), it is still only the first year's outcome of a three-year assessment programme. The only exceptions appear to be HIPC and

I-PRSP⁴.

In fact, the lack of consideration of conflict-related issues features not only in the PRS process but also in the IFIs' development policy framework in general. The Bank's CPRU observed that

[w]hile there is an increasing awareness both in the Bank and among partners about the potential folly of ignoring conflict in strategy work, many country development strategies still remain largely 'conflict blind' (CPRU 2002, p.3).

The Bank, therefore, developed the *Conflict Analysis Framework (CAF)* to "ensure that development interventions do not instigate, exacerbate, or revive situations of violent conflict, but instead – if well designed – help reduce conflict" (CPRU 2002, p.1). However, its application is at the discretion of each country manager. Moreover, the CAF is designed not for recipient governments, which are responsible for the preparation of their PRSPs, but for Bank staff.

2. Theoretical reflections: Potential linkages between the PRS process, and post-conflict recovery and peace-building

The lack of consideration of conflict-related issues in the PRS process inevitably raises concerns about the impact of the process on the overall peace process and post-conflict recovery, and its feasibility, in such volatile circumstances. However, it could be too early to determine that the lack of consideration is harmful to conflict-affected countries, particularly because there may be still some embedded propositions in the PRS process that facilitate the consolidation of peace and swift recovery. Debt relief, for example, can be very timely assistance and can contribute positively to peace-building, since post-conflict governments tend to accumulate debt during war and face an immediate need for substantial resources for reconstruction and humanitarian assistance (Ranis and Stewart 2001). If the resources are redistributed through broad-based public spending, it may even reduce existing grievances, bridge the gap between parties, and create an incentive for de-escalating on-going conflict (Addison and Murshed 2003). Hence, this section will explore theoretically potential linkages between the PRS process and post-conflict recovery and peace-building by focusing on three key aspects of the process: i) poverty reduction, ii) economic growth, and iii) participation.

2.1. Poverty Reduction

Poverty reduction is one of the primary objectives of the PRSPs. When the implications of poverty reduction for post-conflict recovery and peace-building are considered, the most important aspect is the relationship between poverty and conflict itself. The causal relationship between conflict and poverty seems almost obvious. War causes various damages, losses, and destruction to institutions, infrastructure, the population and its entitlements in multiple ways and at multiple levels (Carnegie Commission on Preventing Deadly Conflict. 1997; Stewart and Fitzgerald 2001). Furthermore, war-related destruction augments vulnerability to external shock and insecurity, and creates major obstacles to the recovery process. Therefore, conflict instigates poverty. Hence, poverty reduction can be a very important policy objective, as it not only meets humanitarian needs but also alleviates widespread poverty in war-torn communities.

On the other hand, when it comes to the causal relation of poverty to conflict, the situation is contentious. For instance, Collier and Hoeffler (2000) found from their econometric analysis that the level of per capita income and its growth rate are some of the elements that increase a propensity to conflict. But, when Blomberg, Hess and Thacker examine what

they call the ‘poverty-conflict trap’⁵ by using a regression model, they found that the trap is conditional, and that “countries with poor returns to capital formation” are more likely to be trapped in the cycle (Blomberg, Hess et al. 2000, p.27). On the other hand, Goodhand acknowledges the difference between ‘transiently’ and ‘chronically’ poor and focuses on ‘relative’ poverty, which is a measure of an individual’s poverty not in comparison to others or to a standard, but rather in comparison to that same individual’s poverty at a previous point in time. He argues that “[r]elative rather than absolute poverty would appear to be more critical in terms of building up grievance which leads to conflict”, since “the chronically poor tend to be the least organised and most passive group in society” (Goodhand 2001, p.26).

Moreover, although it is broadly agreed that poverty potentially causes conflict, opinions are divided regarding the ways in which conflict risk is reduced by poverty reduction. Collier and others argue that addressing issues of poverty will lessen the likelihood of conflict in post-conflict countries (Collier, Elliott et al. 2003; Collier and Hoeffler 2004). However, Goodhand (2003) recommends addressing ‘grievances’ -related aspects, such as horizontal inequality which is inequality between groups, rather than *absolute* poverty.

The arguments, in fact, mirror the ‘greed and grievances debate’. This debate emerged in the late 1990s with regards to motivations that lead to ‘New Wars’. The underlying causes were initially analysed from political perspectives. Their analysis can be reduced to types of grievance elements. However, some economists, like Paul Collier, oppose such dominant views. Instead, they argue that individual interests in pursuing economic opportunities initiate and sustain civil wars by focusing on functional utility of conflict (Collier 2000; Keen 2000; Reno 2000).

It seems, therefore, that effective policy interventions to reduce conflict risk are significantly different, depending on positions within the debate. On the one hand, if one supports the greed argument, *absolute* poverty will be one of the key factors of the occurrence of conflict. This is especially because the opportunity cost of war lessens as the level of poverty deteriorates. Therefore, poverty reduction would be a priority for the consolidation of peace in post-conflict countries (Collier and Hoeffler 2004). But, on the other hand, if one maintains the grievances argument, *relative* poverty or inequality will be the key underlying cause of conflict. Thus, addressing *relative* poverty and inequality will be more important for conflict resolution and prevention (Nafziger 2002; Goodhand 2003). Meanwhile, some, like Addison and Mushed (2001), agree with both arguments but suggest that since each conflict is different, addressing *absolute* or *relative* poverty, or inequality depends on the context, and especially the motivation of fighting groups. Thus, views toward the policy implication of poverty reduction are still divided, depending on how the causes of conflict are considered.

2.2. Economic Growth

Another objective of the PRS process is economic growth, particularly pro-poor growth. However, economic growth is not identical to poverty reduction. In fact, even though real private consumption per capita rose 2.6 percent per year in low- and middle-income countries between 1990 and 1997, there was much less actual progress in poverty reduction in the 1990s than was estimated (Chen and Ravallion 2000). Indeed, successful poverty reduction from the 1980s largely occurred in Asia, especially China and India, while the level of poverty in the rest of the world actually worsened (Chen and Ravallion 2004).

The incongruence between economic growth and poverty reduction leads to a fundamental question about the relationship between the two. At the very least, it is highly likely that economic growth leads to poverty reduction,

provided that inequality remains constant. Ravallion (2001), for example, finds from his quantitative statistical analysis of household income and private consumption expenditure per capita that economic growth reduces the level of poverty and that economic contraction augments it. Similarly, Dollar and Kraay (2002) highlight from their cross-sectional regression analysis that economic growth has neutral distributional effects on the incomes of the poor, and suggest a linear relationship between growth and poverty reduction. Though Bourguignon (2002a) makes a strong criticism against the application of a linear regression model, he still admits that

[t]here is indeed little controversy among economists about the fact that growth is essential for (income) poverty reduction under the assumption that the distribution of income remains more or less constant ... Likewise, there is very much evidence that a worsening of the distribution tends to increase poverty (Bourguignon 2004, p4).

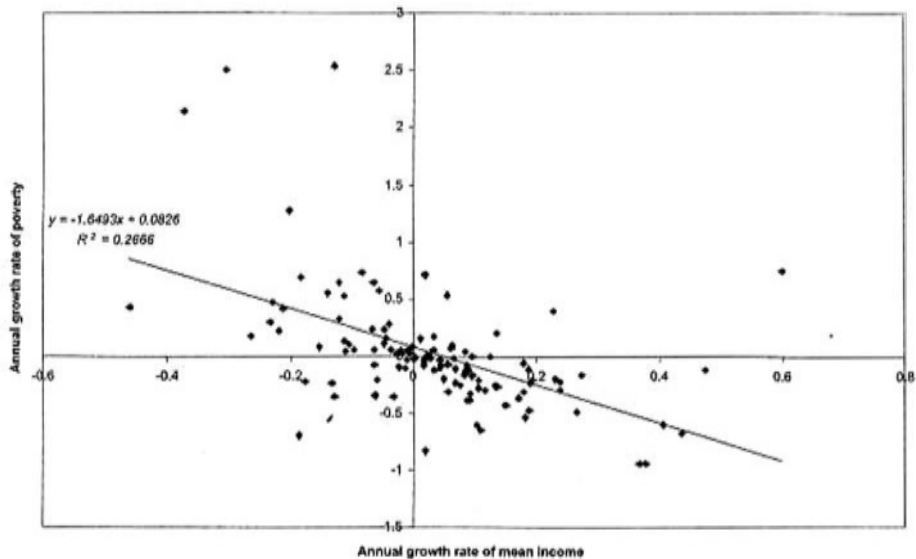
It is, therefore, almost certain that there is a negative relationship between poverty and growth, as Graph 1 indicates.

The growth elasticity of poverty, however, significantly varies depending on countries and growth spells (Bourguignon 2004). This leads to an important question as to what kind of factors influence growth elasticity. One of the critical factors influencing it appears to be inequality (*ibid*). Based on a cross-country analysis, Ravallion (2001) found that inequality is one of the key factors that negatively affects growth over the level of poverty. Likewise, Bourguignon argues on the basis of his regression analysis that “a lesser level of development and a higher level of inequality reduce the growth elasticity of poverty” (Bourguignon 2002b, p.12). Therefore, it could be argued that poverty would be reduced more, for a given growth rate, if the society were less unequal.

Furthermore, inequality can influence not only the growth elasticity of poverty but also the rate of economic growth itself. Indeed, the implication of inequality for economic growth is not a new topic in the field of development economics. In the 1950s, it was considered that uneven income distribution tended to bring about incentive effects and lead to economic growth. This school of thought has been a “conventional textbook approach” in market economy (Aghion, Caroli et al. 1999). However, based on new empirical evidence, as Bénabou (1996) highlighted in his comparison of economic development in Korea and the Philippines, various recent studies suggest that less inequality brings about higher economic growth (Ravallion 1997; Deininger and Squire 1998; Barro 2000). This is despite the fact that different hypotheses have been made on its account⁶. Therefore, it is almost certain that inequality negatively affects growth, and that more egalitarian societies can achieve higher economic growth. Thus, less inequality is good for both poverty reduction and economic growth.

The association between economic growth and the occurrence of conflict, on the other hand, has been investigated by several econometric analyses (Alesina and Perotti 1996; Collier and Hoeffler 2000; Nafziger and Auvinen 2002). The studies largely support the association. For example, Auvinen and Nafziger (1999) find in their econometric analysis that both stagnation and a decrease in real GDP are sources of humanitarian emergency, including civil conflicts. Likewise, based on an econometric model, Collier estimates that “a society in which the economy is growing by 5 percent is around 40 percent safer than one that is declining by 5 percent” (Collier 2000, p.97). Collier and Hoeffler (2002a) also calculate that a one percent decrease in GDP increases conflict risk by 2.2 percent.

When it comes to accounts of the association between economic growth and the occurrence of conflict, however, they



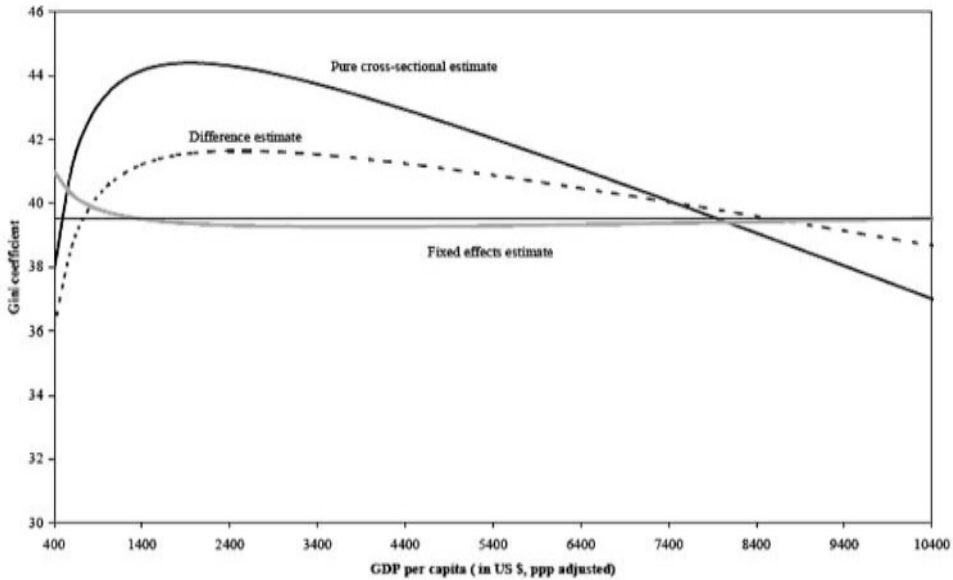
source: (Bourguignon 2002b, p.19)

Graph 1 The relationship between poverty and growth in a sample of growth spells

are strikingly different. The difference again appears to mirror the greed and grievances debate. On the one hand, Collier and Hoeffler (2002a) argue that recession reduces the opportunity costs of waging war and provides economic incentives for both the mobilising and mobilised, together with other factors, such as lootable natural resources. On the other hand, Auvinen and Nafziger (1999) consider that economic stagnation tends to engulf inequality and social grievances, and thereby leads to conflict.

One of the fundamental weaknesses of Auvinen and Nafziger's argument, however, is that it contradicts a famous Kuznets inverted-U curve. The curve was identified by Kuznets (1955), based on his empirical analysis. It basically suggests that inequality increases with the level of income per capita in the early stage of development and decreases in the later stages. But if this were true, it implies that economic stagnation in low-income countries would reduce inequality. Therefore, the Kuznets curve contradicts Auvinen and Nafziger's grievances argument that economic recession amplifies inequality, exacerbates social grievances, and ultimately results in conflict, since most 'New Wars' take place in low-income countries. Moreover, it could also imply that self-sustainable peace cannot be achieved in low-income post-conflict countries, since, according to the Kuznets curve, inequality would increase as economic recovery progresses, as a result, amplifying social grievances and ultimately destabilising the nascent peace.

The contradiction between the Auvinen and Nafziger argument, and the Kuznets curve fundamentally stems from the question over the elasticity of growth to inequality. But the question is still controversial. This is despite the fact that the topic has been discussed since the 1950s and is one of the most fundamental questions in development economics (Persson and Tabellini 1994; Ravallion 1997; Aghion, Caroli et al. 1999). Kuznets's claim was empirically accepted in the 1970s and brought about various hypotheses on its mechanism, such as the impact of advance technologies, and intersectoral shifts in human and other resources.



Source: (Bourguignon 2004, p.16)

Graph 2 Cross-country estimates of the Kuznets curve

However, as more reliable data become available, its creditability has become questionable. Graph 2, for example, shows cross-country estimates of the Kuznets curve carried out by Deininger and Squire (1998) with combination of secondary data and estimates. When all the observations are assembled and a simple regression is conducted, an ideal inverted-U curve emerges. However, the curvature loosens when estimations of decadal differences for each country are introduced as intertemporal variables. Furthermore, when country-specific parameters are taken into consideration, the curve becomes almost flat. This suggests that economic growth in low-income countries does not always engulf inequality, and that recession does not reduce it. Moreover, when country-specific parameters are introduced, the GINI coefficient actually increases in very low income countries, which often include conflict-affected countries. Therefore, this, in turn, supports Auvinen and Nafziger's argument that economic stagnation leads to inequality and ultimately grievances, which play a critical role in occurrence of conflict.

Apart from this finding, the Deininger and Squire findings also suggest that there are too many country-specific variables for any generalization in the way growth affects distribution (*ibid.*). These variables include the pace of growth and the structure of the economy as well as policy stances. This means that there is space for economic policies to intervene and deal with the issue of inequality while economic growth is achieved, rather than that the level of inequality is automatically fixed, as Kuznets suggests.

What are the implications of all these findings? It is revealed that economic growth brings about poverty reduction, though the growth elasticity of poverty varies across countries. It is also found that inequality is one of the important factors in reducing poverty and promoting economic growth. More importantly, there is much scope for policy

interventions to address the issues of inequality without compromising growth.

The implications of these findings seem to differ, depending on the greed and grievances argument. If one takes the grievances argument, the issue of inequality is a critical element in the recovery process for the consolidation of peace. This implies that even if economic recovery were successful, conflict risk would remain imminent if inequality enlarges or persists. But, if the Kuznets curve were valid, it would contradict the basis of the grievances arguments. However, as Deininger and Squire (1998) indicated, the Kuznets curve is not necessarily accurate. Furthermore, inequality can be addressed through adequate policy interventions without compromising economic growth. Therefore, the risk of conflict can be reduced by addressing inequality whilst economic recovery is achieved.

On the other hand, following the greed argument, poverty reduction is vital to lessen conflict risk. This can be achieved not only through poverty reduction itself but also through economic growth, because the overall relationship between the two is positive. But, since more egalitarian societies tend to result in higher economic growth and deeper poverty reduction, addressing inequality is also important for building peace, even if one maintains the greed argument. Hence, both economic growth and inequality are vital aspects of post-conflict recovery, peace-building and poverty reduction, regardless of the greed and grievances arguments.

2.3. Participation

Participation is another key idea that underpins the PRS process. PRSPs should be drawn by the country's own government through wide consultations in a participatory manner. The policy emphasis on participation contrasts with the 'imposed' nature of donor-recipient relationships and the monolithic approach under the SAPs.

When it comes to the post-conflict context, there are at least two implications for peace-building. The first is that the inclusive nature of policy formulation and implementation through participatory approaches can help to bridge differences between conflicting parties and to create policy frameworks that accommodate divided communities. This would particularly be the case where underlying causes of conflict relate to social exclusion and the marginalisation of certain populations in the society, as this can ultimately lessen social grievances in post-conflict countries.

However, participatory approaches may not always be positive to peace or function as an effective conflict resolution tool. For example, Shah and Shah (1995) point out in their case study in India that these approaches can actually amplify existing social conflict if they are a short term intervention without a proper and sustainable management mechanism. Bannon, Manager of CPRU of the World Bank, also points out that "participation can only be effective if reinforced by other elements, [and is] also more difficult when conflict is present" (Bannon 2002). Nevertheless, since most recent peace settlements stem not from one-sided victory over the other but from a negotiated and mutually compromised agreement, the PRS process can be an appropriate and timely framework if participatory approaches are conducted with adequate arrangements at the right time.

3. Implications of the embedded propositions of the PRS process for post-conflict recovery and peace-building in Sierra Leone

The theoretical review in the last section revealed that there are at least three embedded propositions within the PRS framework that can positively contribute to peace-building and post-conflict reconstruction: poverty reduction, economic growth and participation. It also became evident that addressing inequality can theoretically lead to a dual

effect of reducing conflict risk through further poverty reduction and economic growth. How do these elements function in actual settings? Moreover, to what extent they contribute to peace-building in a conflict-affected country?

This section will, therefore, explore these questions by looking at the PRS process in Sierra Leone as a case study. The case is a good example partly because the process was implemented during the conflict, and also because the country suffered high levels of poverty and inequality as well as severe economic downturn even before and during the conflict. Moreover, some of underlying causes of the conflict, such as the lack of sustainable livelihoods and the marginalisation of the population, particularly youth, are directly related to the embedded propositions⁷. Therefore, it is plausible to consider that the PRS process would provide positive impacts on the consolidation of peace in Sierra Leone. Hence, the following sections will examine the implications of the three identified propositions and the reduction of inequality, after assessing the feasibility of the process under volatile conditions. Since the f-PRSP came into effect in 2005, the main focus will be on the I-PRSP here.

3.1. Preparation of the I-PRSP in Sierra Leone and its feasibility

The conflict in Sierra Leone started when a group of dissidents began to attack the eastern part of the country from the Liberian border in 1991. It was initially perceived as a localised 'border war'. However, the fighting gradually flared up to a national scale and the country fell into chaos for 11 years. Meanwhile, the Sierra Leonean government started engaging the PRS process from April 2000. Its engagement was, in fact, more than a year before the official end of the conflict in January 2002. More surprisingly, it was just a month before the last breakdown of the peace process.

Despite the break down of the peace process and the persistent security threat, nonetheless the preparatory work for the I-PRSP continued, during the crisis. In August 2000, for example, a one-day orientation meeting was held in Freetown for various invited stakeholders (GoSL 2001). A preliminary draft was also circulated to stakeholders in October 2000. A national consultative workshop was held in Freetown in February 2001.

The relatively swift completion does not mean that the country was fully stabilised and accessible at all. In fact, in the same month that the one-day orientation was conducted, the UN Secretary-General reported the situation of the county to the Security Council, stating that

the possibility of coordinated offensives by RUF, in addition to ambushes, kidnapping and acts of banditry, must be taken very seriously. There are indications that RUF continues its forcible recruitment of new fighters and that it is regrouping and rearming with assistance from abroad (UN Document 2000, para.10).

Likewise, in the month following the national consultation workshop in February 2001, he also noted the rebels' intention to continue their armed struggle and not to disarm until an inclusive interim government could be established (UN Document 2001).

The very early engagement of the Sierra Leonean government in the PRS process questions their motivation as well as the ways in which they were able to draft an I-PRSP in significantly unstable conditions in a relatively short time. As for the first question, it is highly likely that the government sought further external assistance, especially debt relief and its assistance, which are triggered by the I-PRSP. In fact, this echoes various government officials' comments that a

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 proj | 2005 proj |
|----------------------------------|-------|-------|-------|-------|-------|--------------|--------------|
| Domestic Revenue | 85.8 | 152.2 | 207.7 | 238.7 | 287.7 | 333.2 | 389.8 |
| Grant | 65.4 | 106.1 | 95.0 | 172.3 | 195.0 | 335.6 | 317.6 |
| HIPC assistance | - | - | - | 73.6 | 103.4 | 88.0 | 61.0 |
| HIPC ass. – Gov Rev Ratio | - | - | - | 18% | 21% | 13% | 12% |
| Expenditure | 265.6 | 382.3 | 442.8 | 562.3 | 598.0 | 839.7 | 916.1 |

Source: (GoSL 2002a; IMF and IDA 2002; GoSL 2003; IMF 2004b)

Table 1 Fiscal performance from 1999 to 2005 (in billions of leones)

government primary objective was to access the HIPC assistance and subsequent debt relief⁸. It was estimated that external debt accumulated by the government reached \$776 million in net present value (NPV) in 2002 and a debt service of \$68.4 million per year even after the traditional debt relief under the terms of the Paris Club⁹ (IMF and IDA 2002). However, with the HIPC initiative, the debt service to revenue ratio would reduce to 21.5 percent. Similarly, it was also projected that the debt to export ratio would steadily decrease below the debt sustainability threshold by 2004.

Moreover, it appears that the government was particularly interested in the grant of interim debt relief assistance which can be provided at the discretion of creditors at the HIPC decision point. A HIPC reaches their decision point when they establish a three-year track record of sound macroeconomic performance and prepare a PRSP, including an I-PRSP. In case of Sierra Leone, the government were able to secure grant assistance which consisted of nearly 18 percent of the government revenue in 2002 alone by the preparation of the I-PRSP (GoSL 2002a, see also Table 1). The grant did not only bring about vital foreign exchanges required for reconstruction activities but also eased the severe balance of payment situation. It also ensured a sustainable inflow of external assistance that sharply contrasted with unpredictable humanitarian and post-conflict assistance.

When it comes to the second question, that of feasibility, the swift preparation was technically possible. According to the World Bank's policy guideline, the purpose of I-PRSPs is "to summarize the current knowledge and analysis of the poverty situation, describe the existing poverty reduction strategy, and, perhaps most importantly, lay out the process for producing a fully developed PRSP in a participatory fashion" (World Bank 2000a, para.4). Therefore, an I-PRSP does not require substantial and updated poverty analysis, unlike a f-PRSP¹⁰. In the case of Sierra Leone, the government even tried to access rebel-held areas and extend the coverage of some surveys during its preparation¹¹. But these attempts were in vain when the peace process broke down. As a result, the drafting team made extensive use of existing materials, as the guidelines suggest (GoSL 2001).

The easy requirement of I-PRSPs certainly enables the countries which are severely affected by conflict to engage in the PRS process. But it also leaves a fundamental question as to whether the finalised I-PRSP is really a useful tool for post-conflict Sierra Leone. This is firstly because 'existing' data and analysis may be limited and, even if there were available information, it may not be updated and relevant. For instance, the income aspects of the poverty profile in the I-PRSP are primarily based on pre-war data. Secondly, the I-PRSP was prescribed on the bases of continuous commitment to the peace process by the conflicting parties. There are neither contingency plans nor risk assessments which direct its policy framework and enhance emergency responsiveness in case of sudden changes in programme

environment. Finally, the I-PRSPs neither function as a donor appeal nor bring about additional resources for rehabilitation except for the HIPC assistance. Thus, there are little incentives after the endorsement of an I-PRSP.

Ideally, the I-PRSP should have articulated and played a leading role in the post-conflict recovery, as it prescribes short- and mid-term strategies to tackle the issues of poverty. But, in reality, once it was endorsed at the World Bank and IMF executive boards, the finalised I-PRSP soon became a 'dead document'¹³. It had little practical meaning. There was even recognition by UN officials that the I-PRSP was not an appropriate instrument in the post-conflict environment¹⁴. Moreover, even for HIPC assistance, its large share was actually used for the reconstruction programme, including the rehabilitation of police stations, rather than purely for poverty reduction¹².

Instead of the I-PRSP, the National Recovery Strategy (NRS)¹⁵, which was developed in close collaboration with various UN agencies and NGOs, was used as the main recovery strategy among humanitarian agencies on the ground. The NRS, unlike the I-PRSP, is based on actual field need assessments that were conducted jointly with humanitarian agencies, as soon as areas became safe and accessible. This underpinned the practical usefulness of the strategy. If I-PRSPs are also to be more functional in fragile states, not only their flexible application but also improvements in their practicality as well as a true reflection of the needs on the ground are essential. Otherwise, they can be merely an additional policy burden for post-conflict countries, which often lack sufficient institutional capacity, and thus become an impediment to their recovery.

3.2. Implications of the embedded propositions of the PRS process for peace-building in Sierra Leone

The previous section highlighted the serious deficiencies in the PRS process, particularly, the I-PRSP. However, the embedded propositions may still bring about positive contribution to the consolidation of peace. Therefore, the following sections will explore the implications for peace-building in the context of the Sierra Leonean conflict.

3.2.1. Poverty Reduction

First, concerning poverty reduction, an examination of the status of the country's poverty shows it has slightly improved since the end of the conflict in both income and non-income terms in Sierra Leone (Table 2). For instance, the headcount poverty level decreased from 81.6 percent in 1989 to 70.0 percent in 2004. Both the depth and severity of poverty levels have also dropped. Various indicators, such as school enrolment and access to safe water, also suggest some improvements in non-income poverty.

It is, however, problematic to judge whether the I-PRSP contributed to the reduction in the level of poverty. This is especially because the finalised document became a 'dead document', after it was endorsed by the IFIs. The 'flexible' nature of the I-PRSP enabled the government to engage easily in the PRS process, but did not contribute to an effective and actual reduction of poverty through the framework.

Moreover, concerning the question as to whether the reduction in poverty has lessened the propensity to conflict, the answer is very ambiguous. This is mainly because, though the status of the country's poverty has improved, the residual high level of poverty continues to undermine the fragile peace in post-conflict Sierra Leone. In fact, poverty is still considered a source of potential destabilising factors (UN Document 2004; UN Document 2005b). The UN Secretary-General's report even describes the persistent poverty and slow improvement in social services as "potential threats to the security and political stability the country currently enjoys" (UN Document 2005a, para.2).

| | | Pre-War (before 1991) | Immediately after the conflict (2001 or 02) | 2004 |
|-------------------------------|------------------------------------|--------------------------|---|-----------|
| Income Poverty | Poverty Level (P0: Headcount) | 81.6% | - | 70.0% |
| | Poverty Level (P1: Depth Index) | 58.6% | - | 29.0% |
| | Poverty Level (P2: Severity Index) | 48.9% | - | 16.0% |
| Education | Primary School enrolment | 316,158 | 548,059 | 1,026,248 |
| | No of Primary School | 2,301 | 2,773 | 3,801 |
| | Rehabilitated Primary school | - | - | 685 |
| Health | Primary Health Care Units (PHUs) | 730 | 631 | 636 |
| | PHUs needed to be rehabilitated | - | 481 | 266 |
| | Infant Mortality Rate | 194 | 213 | 0.166 |
| | Under 5 Mortality Rate | 327 | 355 | 0.284 |
| Water & Sanitation | Access to safe water | 53.5% | 54% | 63% |

Source: (Department of National Development and Economic Planning 1995; CSO and MoDEP 2000; GoSL 2002b; HIC 2002; Moore, Squire et al. 2003; SSL 2004b; Statistics Sierra Leone 2004)

Table 2 Changes in poverty level, inequality and jobs

It may be too early to judge the impacts of poverty reduction on conflict risk, since the f-PRSP has been just endorsed. However, the case study, at least, suggests that an effective reduction of poverty was not materialised through the I-PRSP, and that the insufficient levels of poverty reduction continue to pose potential security risks.

3.2.2. Economic Growth

Secondly, concerning economic growth, when post-conflict Sierra Leone is looked at, the country's economic recovery is very impressive as far as macroeconomic indicators are concerned. With cessation of hostilities and restoration of security across the country, economic activities have steadily reactivated. In the agricultural sector, rice production has recovered to 78 percent of the pre-war level (UN Document 2004). The production of tree crops, such as cocoa and coffee, has also improved significantly (see Table 3). In the mining sector, the official diamond production has also increased with the introduction of a certification system and new licensing scheme, as well as the resumption of large-scale mining operations. In addition, reconstruction activities have also stimulated the economy. As a result, real GDP has maintained growth since the end of the conflict (see Table 3). The GDP growth rate reached 27.5 percent in 2002 and 9.4 percent in 2003.

Sound macro-economic indicators, however, do not necessarily translate to people's daily life. For instance, there is little prospect for rapid improvement in employment, as absorptive capacities are still very weak in the private sector and incoming foreign investments are very slow. According to an integrated household survey carried out in 2004, it is estimated that only 55.4 percent of those who are economically active had a cash-paid job in the month prior to the survey (SSL 2004a). Moreover, the destruction of and lack of investment in the infrastructure, such as roads and power plants, impedes private investment and overall economic activities greatly. The prospects for the agricultural sector, especially food production, are also not well conceived, since the majority of the rural population are subsistence farmers who lack credit facilities and the necessary mechanisation.

Source: (IMF 2004b)

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 proj. | 2005 proj. | 2006 proj. |
|--|-------|-------|-------|-------|-------|---------|---------------|---------------|---------------|
| Real GDP growth (%) | -0.8 | -8.1 | 3.8 | 18.5 | 26.8 | 9.4 | 7.2 | 7 | 6.8 |
| Consumer prices | 35.5 | 34.1 | -0.9 | 2.17 | -3.29 | 7.6 | 10.6 | 3.5 | 3.5 |
| Rice Prod. (MT) | 460.7 | 529.8 | 248.2 | 310.6 | 422.1 | - | - | - | - |
| Cocoa prod. (MT) | 14.6 | 16.8 | | 568.8 | 342.2 | 2,752.7 | - | - | - |
| Diamond Prod. (thousand Carats) | 15.8 | 9.3 | 77.4 | 224.2 | 351.9 | 506.2 | - | - | - |

Table 3 Economic Indicators from 1998 to 2006

When the scale of the market is limited, the role of the government becomes important to stimulate the economy. But the I-PRSP neglects the government's role in providing public investment to stimulate economic activities in the private sector. Substantial government spending is not also expected as macroeconomic stabilisation through monetary and fiscal tightening is prioritised. Therefore, there is little prospect for sustainable economic recovery unless the private sector grows autonomously.

Indeed, continuous difficulties in daily socio-economic life, such as the high unemployment rates and spiralling prices of basic commodities, overshadow fragile war-torn communities. In a follow-up survey on the DDR programme, over 50 percent of ex-combatants felt that job opportunities were the same or worse than before the war (Humphreys and Weinstein 2004a). Some policy makers even argue that the long-term reintegration of ex-combatants depends on employment opportunities and sustainable livelihoods¹⁶.

Economic growth may be important to lessen the propensity to conflict. However, this must be translated into the improvement of daily life for the ordinary citizenry. Particularly, more effort may need to be made to stimulate the economy through public investments, such as labour intensive programmes in the agricultural sector and the reconstruction of infrastructure, in order to ensure the further consolidation of peace.

3.2.3. Inequality

The theoretical review suggested that conflict risk can be diminished further through poverty reduction and economic growth by addressing inequality regardless of the greed and grievances debates. Meanwhile, the hypothesis which directly associates inequality with conflict risk, has been developed and tested by various scholars (Alesina and Perotti 1996; Auvinen and Nafziger 1999). Some like, Collier and Hoeffler, categorically deny the hypothesis on the basis of their own regression that found no effect of income and assets inequality on conflict risk¹⁷. Nevertheless, the robustness of their regression analyses is dubious since there are general problems in obtaining a reliable cross-country dataset on inequality (Cramer 2003). In fact, Auvinen and Nafziger (1999) reach an opposite conclusion, based on Collier's regression model but using a different dataset.

As for the Sierra Leonean conflict, the vertical inequality model contains several appealing points. First, pre-war Sierra Leone was one of the highest ranked countries in income distribution in the world. According to a poverty profile by the government, the national GINI index was 0.64 percent in 1989 (GoSL 1995). Secondly, there was also a skewed distribution of physical assets. This is especially because traditional chiefs are custodians of land and the ordinary can

| | Indicators | Pre-War |
|-------------------------------|--|---------|
| Education | Primary School enrolment rate | 52% |
| | Adult literacy rate | 20.7% |
| Health | Life expectancy (years) | 42 |
| | Infant Mortality Rate (per 1,000 live births) | 194 |
| | Under 5 Mortality Rate (per 1,000 live births) | 327 |
| Water & Sanitation | Access to safe water | 53.5% |

source: (Central Statistics Office 1995; GoSL1995; GoSL2002b)

Table 4 Various human development indicators in the late 1980s in Sierra Leone

possess land in the provinces only through succession from their ancestors. Finally, there were also unequal distributions in terms of social access (see Table 4). The Humphreys and Weinstein's survey (2004) also identified that nearly 80 percent of combatants had already left school before the country became involved in the conflict, and that many never had any education at all.

Inequality in post-conflict Sierra Leone, however, still remains high. Particularly, inequality in non-income aspects remains prevalent, although the GINI index fell substantially to 0.39 after the conflict (GoSL 2005). For example, there is no major change in the possession of capital assets, since the land-tenancy system remains the same in the provinces. There is still unequal access to social services. It is, for instance, estimated that less than half of the population has access to affordable medication (GoSL 2004). The recent household survey also shows that there are significant differences in types of consulted health professionals and services, depending on household income (GoSL 2004; GoSL 2005). This is also the case for access to education and safe water (*ibid.*). Furthermore, there is a problem in the distribution of social justice and access to political rights. In the local court systems, justice is still available to the 'highest bidder.' Wide-spread corruption is persistent. The political influence of chiefs remains significantly strong¹⁸.

There is, nevertheless, little effort made to lessen persistent economic and social inequality through the PRSPs. In the Sierra Leonean I-PRSP, inequality issues, including non-income elements such as social injustice and marginalisation, are largely neglected. In the f-PRSP too, there is little reference to issues of inequality. Symbolically, the poverty elasticity of inequality, which was included as a part of growth and poverty simulations in the preliminary draft of the f-PRSP, was omitted in the final version. In fact, apathy on the issues of inequality is generally observed in the PRS framework itself (Cling, Razafindrakoto et al. 2002). With a view to peace-building, however, it is evident that the issues of inequality must be addressed more rigorously for durable peace.

3.2.4. Participation

Finally, participation is another embedded theoretical proposition. It would facilitate bottom-up policy formulation and ultimately lead to an accommodative policy framework that bridges some of the fundamental differences between conflicting parties.

When it comes to the I-PRSP in Sierra Leone, the finalised document underlines that "[i]n essence, the preparatory process of the strategy followed a "bottom-up" approach through a participatory consultative process" (GoSL 2001,

para.152). The government emphasises the participatory nature within the drafting process. However, in reality, the policy consultation was still largely confined to key policy makers and was overshadowed by the unstable condition of the country at that time (Koroma 2002). Wider consultation was also impeded by the limited control of the territory by the government and the derailment of the peace process.

On the contrary, when it comes to the f-PRSP, much broader consultations¹⁹ were carried out with the significant improvement of the security situation across the country. The participatory consultation processes were indeed largely perceived positively by most of the participants. This is especially because they gave signals that, unlike past governments, the new regime now consults the population about policies, and listens to their needs. The consultations also created spaces and opportunities for those who used to be marginalised in the communities, such as youth, women and children, to participate in decision-making processes. In some occasions, they provided opportunities for people in the community to voice their grievances²⁰. The participatory process facilitated the identification of the grievances-related issues and the expansion of the scope of the f-PRSP. The consultation processes even sometimes helped to identify hidden conflicts between returnees and those who remained over the allocation of aid, created a forum to exchange opinions and to explore solutions, and ultimately strengthened community relations²¹.

4. Conclusion

The international community has made significant progress in its response to the 'New Wars' and their aftermath. Not only humanitarian organisations and peacekeeping missions, but also development agencies have been involved in post-conflict assistance, in order to establish and consolidate peace in fragile states. The involvement and cooperation of the different players undoubtedly enhances the capacity of the international community to respond to humanitarian crises. It also fills existing gaps among agencies, as well as between the short term objectives of humanitarian intervention and assistance and the long term objective of sustainable development.

The involvement of development agencies, in particular, does not only augment the volume of aid but also brings about sustainable resources for post-conflict recovery. However, the introduction of their existing schemes in conflict-affected counties led to several serious questions as well. The PRS process was a symbolic example. It has been applied in many conflict-affected countries since it replaced the SAP in 1999. But, because of the lack of consideration of conflict-related issues in its framework, its application raised concerns over its impacts on fragile peace and its feasibility in a volatile environment.

Conflict-related issues are rarely taken into account in the PRS framework. However, the theoretical examination at least suggested that there are still some embedded propositions which the PRS process can contribute to post-conflict recovery and peace-building. These include poverty reduction, economic growth and participation, though views toward the policy implication of poverty reduction were divided, depending on the greed and grievances debates. It was also revealed that the reduction of inequality has a dual impact on economic growth and poverty reduction, and, as a result, can contribute to post-conflict recovery and peace-building regardless of the greed and grievances debates.

Contrary to the theoretical propositions, however, the case study of PRSPs in Sierra Leone indicated several constraints and limitations in the application of the PRS process in fragile states. Though rapid economic recovery and poverty reduction were achieved, insufficient poverty reduction and economic growth continued to be a destabilising factor after the conflict. It was also unclear the extent to which the I-PRSP contributed to the initial reduction of poverty

immediately after the conflict. This was because it lacked the practicality to lead the post-conflict recovery process. Moreover, the issue of inequality was almost completely neglected in spite of its close correlation with underlying causes of the conflict. This left the concern that the grievances aspect of the underlying causes might remain unsolved.

There were, however, some positive impacts especially through the participatory processes. This includes the creation of a common platform which underlined the voices of the marginalised and allowed divided communities to reunite, although this needed to be underpinned by sufficient government capacity and a reasonable level of stability, which many post-conflict countries struggle to archive.

In order to make the embedded propositions more functional and effective to establish durable peace in fragile states, it is highly likely that some modifications of the PRS framework are necessary. To begin with, further efforts should be made to reduce poverty in order to lessen conflict risk, as the theoretical review indicated. It may well be necessary to integrate I-PRSPs with a national recovery strategy to make the PRS process more a viable policy instrument for not only debt relief and poverty reduction but also post-conflict reconstruction. Secondly, economic recovery must be translated into people's daily life. Even if the overall economic recovery appears to progress, unless it is accompanied by improvements in the living conditions of the ordinary citizenry, nascent peace would be easily undermined, as the case study indicated. Finally, the issue of inequality needs to be addressed more vigorously. This is particularly because persistent inequality often continues to undermine fragile war-torn communities, and because reduction of inequality can lessen conflict risk through its dual impact on economic growth and poverty reduction; and by addressing grievances-related causes of conflict.

It is evident that there is also need of a conflict-sensitive PRS process by giving more consideration to the implication and impacts on conflict. It is essential, for example, to integrate some sort of conflict analysis into the PRS process, in order to ensure the mantra of 'do not harm'. Participatory conflict analysis, which Archibald and Richards (2002) carried out as part of a human rights based assistance²² in post-conflict Sierra Leone, may well be a good model, since it echoes the philosophy of the PRS process and can be easily incorporated into existing participatory poverty assessments. Likewise, if the I-PRSP were configured into a recovery strategy and drafted on the basis of a joint assessment by the UN, the Bank and a war-torn government, they would become more effective tool for all stakeholders. Impact assessments that look at the policy impacts of the PRSP on the peace-building process also need to be included to ensure durable peace.

It has been more than a decade since the end of the Cold War. The international community has become progressively more involved in post-conflict assistance since then. This has unquestionably increased international attention on, and effort toward conflict-affected countries. However, it appears that we are still unable to figure out how to best rebuild war-torn communities, while post-conflict assistance has become more complex. Given the magnitude of financial contribution and policy influence by the development institutions, it is essential to reformulate its framework to reflect greater 'conflict-sensitivity', if it is to be one of the effective remedies for peace-building as well as for poverty reduction in fragile states.

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Notes

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² The World Bank defined the term as "countries involved in or emerging from conflict as well as countries whose development is affected through their proximity to and/or relations with these countries" World Bank (2001c). Operational Policies 2.30: Development Cooperation and Conflict.

³ Article IV, Section 10, IBRD (1989). IBRD Articles of Agreement., and Article V, Section, 6, IDA (Undated). IDA Articles of Agreement.

⁴ See World Bank (2000). Interim Poverty Reduction Strategy Papers (IPRSPs): Guidance on IPRSPs and Joint Staff Assessments of IPRSPs, World Bank, IMF and World Bank (2001). Assistance to Post-Conflict Countries and the HIPC Framework.

⁵ The poverty-conflict trap means a situation in which a higher incidence of conflict leads to lower growth and then the latter contributes to the former.

⁶ Some like Bénabou, for instance, consider imperfection in credit market as a main cause of the negative correlation between inequality and growth. Some also take political economy views and argue that higher inequality tends to result in more political instability, less investment and, ultimately lower growth. Similarly, Persson and Tabellini argue that higher inequality brings about populist retributive policies and, ultimately, disincentive effects. Other hypotheses include economies of scale in goods markets and human development factors. See Bénabou, R. (1996). Inequality and Growth. *NBER Working Paper Series 5658.*, Alesina, A. and R. Perotti (1996). "Income Distribution, Political Instability, and Investment." *European Economic Review* 40(6): 1203-1228., Persson, T. and G. Tabellini (1994). "Is Inequality Harmful for Growth?" *The American Economic Review* 84(3): 600-621., Li, H., L. Squire, et al. (1998). "Explaining International and Intertemporal Variations in Income Inequality." *Economic Journal* 108(446): 26-43.

⁷ See analyses of the Sierra Leonean conflict, for instance, TRC (2004). Final Report: Truth and Reconciliation Commission..

⁸ Interviews with Ms. Hawa Musa, Senior Planning Officer on 9th July 2004, Mr. Jacob Jusu Saffa, Human Development Specialist, World Bank (SL) on 30th July 2004, Mr. Alimamy Bangura, Economic Policy and Research Unit (EPRU) on 14th July and 30 August 2004.

⁹ This meant that the debt to export ratio was 653 percent, while the debt service to revenue ratio would reach 59.4 percent.

¹⁰ It is even suggested that "[t]he intention is that I-PRSPs should be short and relatively easy to produce. They should draw as much as possible on existing work and processes" World Bank (2000). Interim Poverty Reduction Strategy

Papers (IPRSPs): Guidance on IPRSPs and Joint Staff Assessments of IPRSPs, World Bank.

¹¹ There were even a few instances where the rebels were cooperative for some assessments. They were largely dependent on the peace process. In fact, on one occasion, an assessment team had to evacuate the site because of a possible attack by the RUF. Interview with Ms. Hawa Musa, Senior Planning Officer, PASCO on 9th and 16th July 2004, and Mr. Sum Jallo, MODEP, on 27th July 2004.

¹² In 2002, for example, 35 percent of the initial HIPC assistance was allocated for reconstruction or rehabilitation work GoSL (2002c). Statement on the Supplementary Contingent Poverty Budget for the Financial Year, 2002. Freetown..

¹³ Interview with Mr. Ian Stuart, First Secretary, DfID (SL) and Ms. Emma Morley, Social Development Adviser, DfID (SL) on 6th August 2004.

¹⁴ Interviews with Mr. Ian Stuart, First Secretary, and Emma Morley, Social Development Adviser, DfID (SL) on 6th August 2004.

¹⁵ The National Recovery Strategy was developed by the National Recovery Committee chaired by the Vice-President in May 2002. Its objective is to “lay the foundation for consolidating peace and the transition towards sustainable development ...[and to form] a bridge between emergency interventions and longer-term development” . It set four priority areas: consolidation of state authority, rebuilding communities, peace-building and human rights, and restoration of the economy GoSL (2002b). National Recovery Strategy: Sierra Leone 2002-2003..

¹⁶ Interview with Desmond Molloy, OIC, UNAMSIL DDR Coordination Section on 16th July 2004.

¹⁷ They take the GINI coefficient and the ratio of the top-to-bottom quintiles of income as proxy for income inequality. They take the GINI coefficient of land ownership as proxy for asset inequality Collier, P. and A. Hoeffler (1998). “On economic causes of civil war.” Oxford Economic Papers 50(4): 563-573, Collier, P. and A. Hoeffler (2002b). Greed and Grievance in Civil War. CSAE WPS/2002-01. Oxford, Centre for the Study of African Economies.

¹⁸ In some cases, it is even reported that independent candidates have had to step down from the election campaigns in the 2004 national and 2005 local elections because of political intimidation and violence instigated by chiefs ICG (2004). Liberia and Sierra Leone: Rebuilding Failed States. Africa Report N° 87, International Crisis Group: 8 December 2004, GoSL (2005). Poverty Reduction Strategy Paper. Freetown.

¹⁹ Three major participatory processes were organised. They are the Participatory Poverty Assessment (PPA), Focus Group Discussions (FGDs) and Civil Engagement Process. The FGDs, for example, were held in each district headquarter, by inviting various stakeholders from communities. Participants were divided to five groups, depending on their social group.

²⁰ Interview with Mr. Hassan Bangura, Programme Coordinator for Relief and Rehabilitation, Council of Church of Sierra Leone on 24th July 2004.

²¹ *ibid.*

²² See also in CARE Sierra Leone (2004). No rights, No Justice, More War: The Story of RBA in CARE Sierra Leone.