



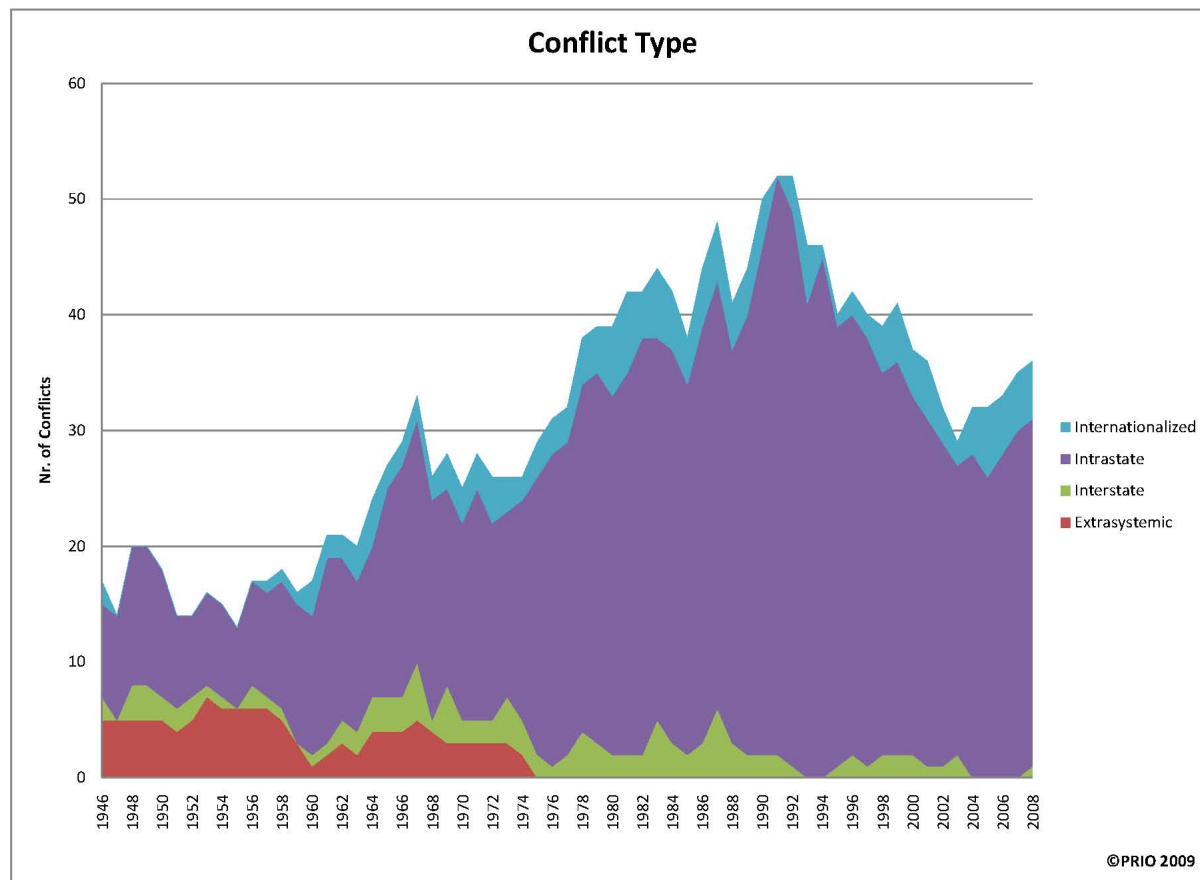
The Economics of Post-Conflict States

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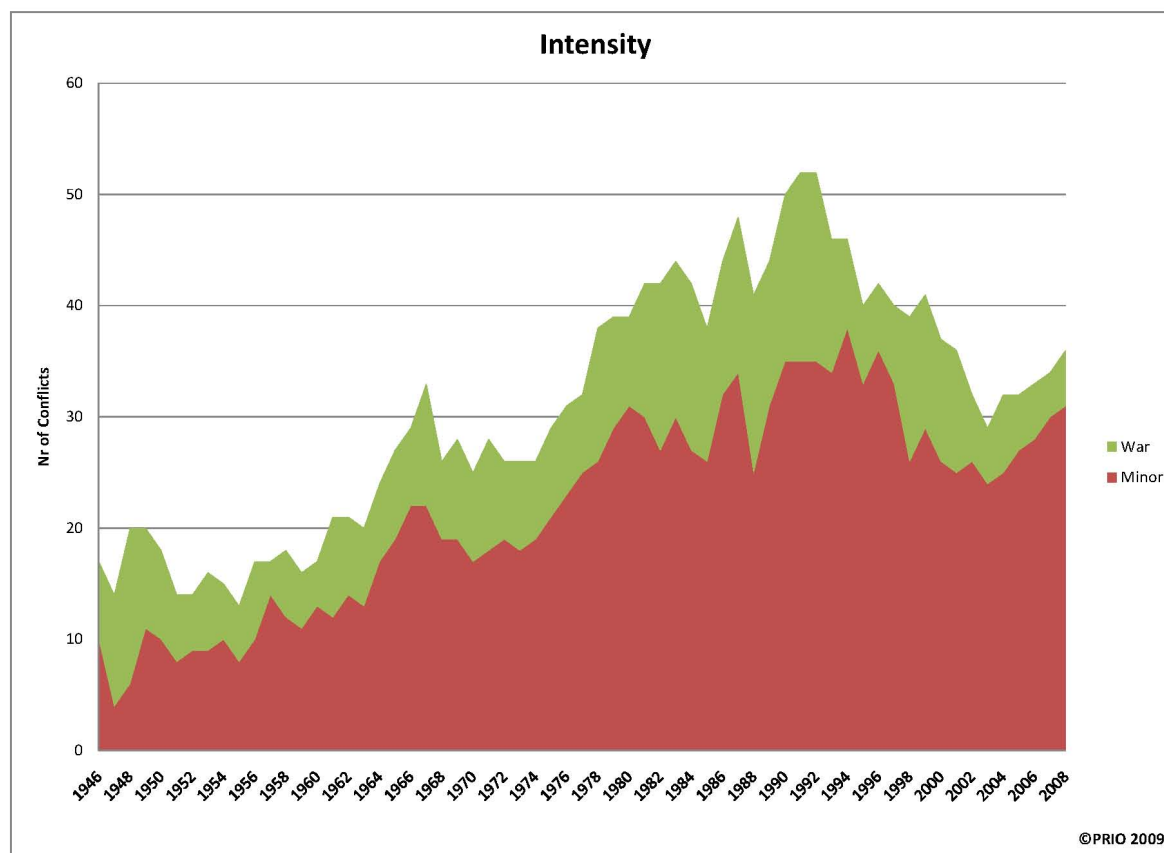


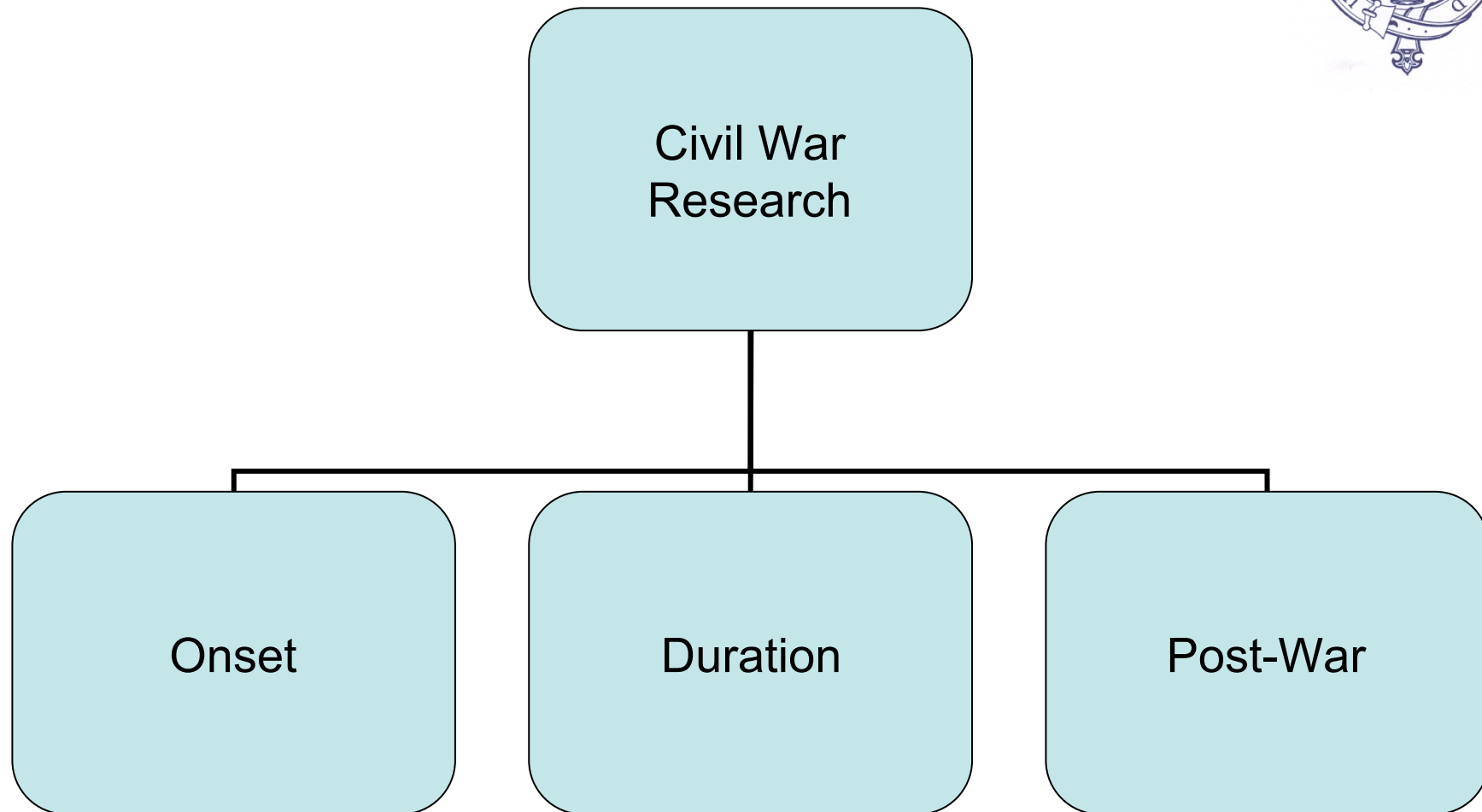
Conflicts: Global Prevalence





Conflict and War: Global Prevalence







Post-Conflict Challenges

Economic Recovery

Risk Reduction



Economic Recovery

Is there a peace dividend?

Does aid increase growth post-conflict?

Does policy improve growth post-conflict?



Empirical Analysis of Post-Conflict Societies

Peace dividend, about 1.1% extra growth

3-7 years during post conflict aid increases growth

Traditionally this is not what donors have done



Post Conflict Risks

68 post-conflict episodes

46% of cases recurrence of war

40% of cases recurrence within a decade



Statistical Results

- There is no safe period during the decade
- Growth is important, stagnant economies 42% risk, 10% income growth 26.9% risk
- Elections shift the risk, lower in election year, higher after
- PK force absolute not relative size matters (deterrence)
- Doubling expenditure reduces risk from 40% to 31%



Concluding Comments

- Correlation/causation?
- Knowledge of causes unlikely to resolve the conflict or prevent repeat conflict
- There is a peace dividend
- Aid increases post-conflict growth
- Elections do not stabilise post-conflict situations
- UN PKO make peace more likely to last
- Package of aid and UN interventions increase the chance of lasting peace

Key Research on the Economics of Civil War



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