WAR AND SOCIO-ECONOMIC DEVELOPMENT

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The literature on the study of war on economic condition of a country is very limited however a brief review of the available literature is presented below. Bloomberg et al. (2002) present an economic model of war, in which terrorist groups who are unhappy with the current situation in a country try to bring change by indulging in terrorist activities. Terrorist activities of such groups may have different results depending on the economic situation. Either they can reduce the economic activities by increasing war, or if more economic incentives are present in the economy then war is reduced for example, more employment opportunities can reduce the incentive to indulge in terrorist activities. Study is of the view that recessions in high income countries can result in higher probability of terrorist activities.

Bloomberg et al. (2004) empirically look into the impact of war on 177 countries over the period 1968-2000. The study finds the impact of war on economic growth as negative. Further findings show that war results in shifting of resources from investment spending to government spending. However, the incidence of war differs on different groups of countries. For example, although the terrorist acts are more frequent in advanced economies like that of the OECD countries but their impact was less significant than developing countries.

Sandler and Enders (2005) have similar views as they compare the impact of war on developed and developing countries. Study argues that developed countries have vast economy and any terrorist activity may result in reallocating of resources among various sectors of the economy, but however, this is not the case with the developing countries and any major terrorist act may jeopardize the economic growth. Like their vast economies, developed countries have better institutions and markets and can absorb effects of war. They can provide necessary fiscal and monetary stimuli to absorb the effects of war, while many developing countries lack this ability. Besides, developing countries are more dependent on other countries as compared to developed ones. Therefore, any economic shock induced by war in other countries can affect their economic growth.

Koh (2007) examines the impact of war of war on global economy and the allocation of resources to research and development (R&D). Various costs that war may have on the economy include the crowding out of private R&D expenditure by the military R&D expenditure to counter war, thereby reducing economic growth. Besides, international corporations pursuing investment in other countries evaluate country risk and spend higher amount on security which acts as a barrier to the flow of investment to the developing countries and also increase the operational costs. Counter war measures increase expenditure on security which also reduces expenditure on private R&D. The crowding out of private R&D by security related R&D would reduce the rate of innovation over time, thereby reducing economic growth in longer run.

Gaibulloev and Sandler, (2009) investigated the impact of war on per capita growth in Asia for the period 1970-2004. Study found significant growth limiting impact of war. The impact seems to be stronger in the developing countries as compared to developed one because of the developed countries' resilience to war due to their robust economies. Terrorist activities generated by internal conflicts were found to be twice as effective in reducing growth as compared to those of international conflicts. The main growth reducing impact comes from the crowding in of government expenditure and a loss of investment associated with the increase in terrorist activities.

Not only the war affect the country where these activities are taking place, but also have their impact on the neighboring countries. Murdoch and Sandler (2004) analyzed the impact of civil wars on the neighboring countries. Study found growth reduction not only in the affected country but also it passed its effect to the neighboring country. The growth limiting impacts have both short run and long run impact on the affected economy as well as neighboring economies. In the short run, civil war can reduce the economic growth by as high as 85 percent in the affected economy, but however in the long run this effect is 30 percent. While for neighboring country the short run growth reducing impact is 24 percent, and 30 percent in the long run.

Gries et al. (2009) investigated the causality between war and economic growth for seven western countries for the period 1950 to 2004. The causality runs from economic growth to war as the poor economic performance manifested in low opportunity costs of violence, which may in turn, increase the conflicts and thus war. On the other hand war may cause low economic growth because accumulation and allocation of resources may be negatively affected by war. Results indicate that important economic and political events have profound impact on the pattern of war and also on economic growth. Besides, in most countries cases it is the economic growth that statistically causes the war, however, their economies are resilient enough to withstand such terrorist attacks. Economic performance although make war opportunity costs high enough to thwart such incidents, but it is also suggested that economic performance is not the only criteria to counter war and political and social consideration must be taken into account by policy makers to counter war.

For the European Union and UNDP (2006), the quality of governance is ultimately attributed to its democratic content. Thereby the promotion of 'democratic governance' is a core element in their development assistance strategy. UNDP argues that human development and governance are inseparable. From the human development perspective UNDP has stated that 'good governance' is 'democratic governance. According to Brandi (2008), Democratic Governance is the glue that holds all the other development priorities set out across the MDG's together. In post-conflict societies it is much advocated by the international community that democratic systems provides the best mechanisms for reconciliation and are the best guarantors of lasting peace (Brandi &Clara, 2008).

According to Boex, Kimble and Pigey (2010), a government is essential to providing security, justice, economic, and social functions and to channeling the will, energies, and resources of both the indigenous population and the international community. According to Shah (2006), governments support peace building through encouraging institutional participation in peace building and democratic process of their countries.

According to Ngware & Kironde (2010), the government's role to peace building is by ensuring that its legitimacy and credibility are intimately tied to a transparent and representative process of policy making by a council of democratically elected community leaders that enjoys legal recognition as an established corporate entity. According to the author, if this is achieved, leaders are likely to be respected and trusted and this can help to bridge divergent interests and ideas which are fundamental for peace building. Addison and Murshed (2001) pointed out that an important characteristic of effective local government is its proximity to the recipients of the basic services it provides. Thus, if government is well-recognized for its role in providing basic infrastructure such as drinking water, waste management, construction of latrines and public convenience facilities, recreational facilities and parks, and local roads, it is likely to unite people to work together for peace (Brandi &Clara, 2008).

Governance failure in Africa have their roots in several sources, principal among which are the legacy of colonialism, the nature of the independence struggle, the character of the post-colonial state and their leaders, and the structure and requirements of the global order. Colonial governance institutions were designed to promote domination and extraction, these being colonialism's principle mission. Although these institutions were the target of the anti-colonial struggle, they ultimately became colonialism's legacy to post-colonial governance. Independence struggles around Africa required mobilization and produced movements in which, with few exceptions, decision-making was largely plebiscitary. At independence, African countries maintained over-centralized state institutions that reposed enormous powers in the hands of their "founding fathers." Political mobilization and plebiscitary decision-making conveniently dominate post independence governance strategies, especially since the pursuit of development so as to "catch up" was the national preoccupation. Democracy was not a significant item on Africa's post-independence governance agenda (Ake, 1996).

With ambitions of wielding disparate groups into a "nation-state," Africa's central states relied upon an appeal to the promise of development to sustain their legitimacy as they tightened their control as a governance device. Thus, in addition to over-centralization's natural tendency to degenerate into arbitrary and autocratic rule, pressures to maintain control in the face of failed development initiatives quickened recourse to repression. Preventive detention laws, all-embracing sedition laws and increased presidential prerogatives drove governance processes. Regime maintenance became the most important if not the sole preoccupation of government.

External actors were very much a part of the governance arrangements that produced and maintained autocratic governance in Africa. Cold war machinations required responses that produced alignments that deepened divisions within and among countries, often creating a source of upward legitimacy and relieving leaders from any semblance of accountability to local populations. Cold war bipolarity was not the only external dynamic affecting African governance. Since independence, Africa's development agenda has been determined either by the former colonial powers or by the Bretton Woods institutions. The dynamics of bipolarity combined with the prescriptions of the Bretton Woods institutions to produce what Vincent Ostrom (1993) has called "crypto imperialism" as a form of governance intervention which has had a profound impact in strengthening autocracy as well as directly inducing conflict. Assessment of governance institutional failure in African countries remains incomplete unless the full impact of internal and external factors is considered.

Governance failure can be progressive and its effects incremental. What appears to be a sudden implosion could in fact be a manifestation or consequence of half a century or more of failed governance. Some autocracies operating within the Cold War global order were such predators that they destroyed the very fabric of their societies but were propped up because of their strategic role in bipolar politics. Relying on external support and a well-catered-for but narrow internal constituency, such regimes existed for decades and became despotic. Zaire now the Democratic Republic of the Congo was one such regime; it only crumbled when the Cold War ended. Then there are cases like Sierra Leone with relatively little significance in bipolar politics but with predatory regimes that were perceived to be benign.2 Seething in corruption, such regimes can grind to a halt and implode. Many others do not implode but totter on the brink while ordinary people struggle to find ways to cope with the dilemmas of daily living. Whatever the circumstance, human toll and social consequences of governance failure in Africa have been of staggering magnitudes.

The Human Toll of Governance Failure: The most visible consequence of governance failure can be seen the toll violent conflicts have taken on human beings. Most noted is the alarming level of conflict related deaths and displacement. Though estimates vary, it is generally agreed that there has been more than 6 million conflict-related deaths in Africa since 1983 (CSIS Report, 2000). There is an estimated 20 million conflict related displaced persons of whom 14 million are internally displaced. These figures constitute close to three percent of Africa's total population. (See World Population Prospects. UN Population Division 2000.) When disaggregated and their implications fully considered, they reveal a crisis of a profound proportions. In the region of the Central Africa and the Great Lakes, for example, they tell of a disruption of societies consisting of thousands of communities with linkages and spillovers that affect still thousands more. In Uganda, for example, internally displaced people (IDPs) account for close to 3 per cent of that country's population and with exponential impact on others. One quarter of Uganda's 45 districts (administrative jurisdictions) is in some form of upheaval. Warring factions operate in northern as well as western districts and sporadic conflicts involving pastoralists are waging in eastern districts. Food shortages and the HIV/AIDS pandemic have added further burdens especially on women and children. Uganda has become a strategic link between systems of conflict extending north in Sudan, west into the Great Lakes region and east into the Horn of Africa (Global IDP, 2001).

The problem of internal displacement has not been given the same level of international attention as the problem of refugees, i.e. the externally displaced. In Angola, one out of every four, in Sudan, one out of every 7 and in Eritrea one out of every 10 persons is internally displaced and destitute (Global IDP, 2001). When circumstance and duration of displacement are considered, a bleaker picture emerges. Loss of dignity and diminished hope associated with prolonged displacement can erode self-confidence and optimism—predispositions that are vital for self-reliance and self-organization. Moreover, the impact of extensive societal trauma associated with gruesome massacres often witnessed by displaced people (internal and external) can hardly be fully assessed. Resettlement can also be hazardous and rife with insecurity, including insecurity stemming from landmines and other unexploded devices.

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