

HD INSIGHTS

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How does Conflict undermine Human Development?

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Human Development and Conflict:

Eight out of ten of the countries with the lowest HDI have experienced conflict over the past two decades. Weak HD - particularly when there are sharp horizontal inequalities (HIs) – makes countries conflict-prone. Hence a vicious cycle may emerge in which conflict worsens HD and weak and exclusionary HD contributes to conflict (this issue will emphasize the former).

How does conflict impact human development?

Violent conflict has a major and broad negative impact on HD across generations –not only on all three components of the Human Development Index (life expectancy, incomes and education) but also on wider dimensions of capabilities, notably on human security and on freedoms more generally. Most of the human and economic costs of war do not result directly from battle deaths and injuries, but indirectly from the loss of livelihoods caused by the dislocation of the economy and society. Conflict weakens human development:

- It disrupts economic activities, as a result of a complex combination of destruction of economic infrastructure, degradation of the environment, worsening communications, lower investment, restricted export markets and foreign exchange earnings, all of which reduce economic growth, and hence people's economic entitlements.
- Lower growth and a weakened administration reduces tax revenue and consequently the resources to finance social services. These also suffer from loss of manpower as skilled manpower migrate. Consequently, social entitlements also fall.
- Wars may lead to famines as a result of disruption of supplies and/or escalating food prices. The *Sudan* famines of the 1980s and again in 1998 and the *Ethiopian* famine of 1984 in which millions died, are examples.

What is the extent of the impact?

The precise impact of conflict varies greatly across countries and within countries. Often the socially, politically and economically excluded groups, including women, are most vulnerable to the impacts. Variations depend on the nature of the war – whether it rages throughout the country or is confined to one part;

- on the nature of the economy - how flexible it is and whether substitutes can readily be found for the products previously produced in the formal sector or imported;
- the nature of the government – whether it becomes very weak and unable to provide basic services, or remains able to sustain, or even improve, its contributions to HD, or, if strong, whether it takes sides and deliberately withholds services from part of the population; and
- the nature of the international response – whether it continues to trade and supply credit so sustaining foreign exchange, or introduces strict embargoes.

What does the evidence say?

A negative impact on GDP per capita growth was found in 13 out of 14 countries suffering the worst conflicts between 1975 and 1995, with considerable variability in magnitude. The worst losses occurred in long and pervasive wars. Regression analysis has suggested an annual loss of 2-2.5% during the war and in the immediately following years, compared with a no-war situation. Case studies and econometric analysis show a strong negative impact on investment. Development expenditure in *Nepal* is estimated to have fallen by one-third, 2001-2004.

- In *Mozambique* around two-thirds of dams were destroyed, and almost 60% of primary schools were closed or destroyed.
- In *Uganda*, in the late 1970s, about half the doctors and 80% of the pharmacists left.
- Calorie consumption fell in over 70% in the countries worst affected by conflict, 1970-1995, falling to below 1,700 per person per day in *Ethiopia, Liberia, Mozambique, Sierra Leone, Somalia* and *Afghanistan*.
- Government expenditure on health and education is estimated to have fallen in ten of fourteen war-affected countries (1970-1995), and by over 40% in *Angola, Liberia, Uganda, El Salvador* and *Iran*.
- Primary school enrolment fell substantially in some countries – notably *Angola*, and *Mozambique*.
- In *Uganda*, additional infant deaths, compared with non-war regional trends, amounted to over 2% of the 1995 population. Econometric estimates across countries show an increase in IMR of 13% during a five-year civil war. Moreover, some case study evidence suggests increases in adult mortality rates sometimes exceed increases in IMR.

What should the policy response be?

An important implication of the substantial indirect costs of violent conflict is that policy might be able to reduce costs substantially if appropriately designed, even while conflict is ongoing.

The international community generally puts little into development during conflict, focussing on humanitarian relief. Often it compounds the situation by trade embargoes and cuts in aid. This is a serious mistake. HD can be protected, even promoted, even during wars. Policies required are to:

- help prevent macro-economic decline, by avoiding embargoes and providing aid and credit;
- support the government (or alternative authorities) with finance, and technical assistance to permit continued provision of basic services, especially for health;
- monitor the food situation, looking for early signs of deficiencies either in supply or in demand; in the former case providing food aid is appropriate; in the latter ensuring that people have access to adequate cash to buy food (e.g. through employment schemes, or cash transfers).
- it is preferable to provide aid to populations – particularly food and health services – where they live, and not in camps.. Once people move into camps, they can no longer farm or participate in other income-generating activities, thus compounding the negative productive and distributional consequences of conflict.
- It is also almost always preferable – unless there has been a catastrophic decline in food production - to provide financial entitlements rather than food aid because this increases local purchasing power and spreads incomes to the local farmers, whereas the provision of food aid depresses local markets, spreading deprivation.

Some general sources:

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