

War and famine. Peace and milk.

– Somali proverb

The Conflict Prevention, Resolution and Transformation Issue

For many less developed countries and regions, the process of planning for integrated development can create important spinoff effects to launch new private production and entrepreneurial activities.

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Using Aid to Prevent Conflict: Horizontal Inequalities and Aid Policy

Graham Brown and Frances Stewart

Aid can be a powerful instrument for helping to prevent conflict. One key way it can do this is by contributing to a fair distribution of resources across different groups in society. But today, this issue is largely ignored in aid policy. This briefing explains why inequalities between groups, or “horizontal inequalities,” need to be addressed in aid policy, and sets out how this can be done.

Horizontal inequalities (HIs) are inequalities between religious, ethnic or cultural groups. Such inequalities may occur in economic, social or political dimensions, or all three. When large, and especially when consistent across dimensions, horizontal inequalities make conflict more likely.

Aid accounts for a very large proportion of government expenditure in poor countries. Potentially, therefore, aid donors have the power to make a major contribution to the development of an inclusive society by reducing horizontal inequalities.

Yet at present these issues are often ignored in aid policy, and the result is that aid sometimes serves to accentuate HIs.

Aid addressed to the reduction of HIs is in line with the Human Rights approach to development as well as the objective of eliminating social exclusion.

Aid policy can contribute to reducing horizontal inequalities by:

- Including the issue of group equity in all policy discussions with government.
- Including horizontal inequalities in the agenda of Poverty Reduction Strategy Papers (PRSPs).
- Promoting a more equal distribution of resources across groups in all public expenditure reviews.
- Using sums spent directly by agencies on social and economic projects

which reach deprived groups and deprived regions.

- Reviewing macro-economic policies to consider their implications for horizontal inequalities.



A Janjaweed militiaman on the Sudanese border

- Increasing the allocation of aid to ethnically heterogeneous societies to help counter HIs.

- Supporting the collection of data on group inequalities and monitoring their evolution.

How to design aid policy to reduce horizontal inequalities

Aid is a powerful tool for reducing HIs. It accounts for a very high proportion of total government expenditure in poor countries generally, the countries most vulnerable to conflict. For example in Cambodia, aid exceeds total government revenue excluding grants and in Ghana it accounts for nearly 80%. And, of course, the influence of aid donors goes beyond their own expenditure to their role in developing country governments' policies more generally, through discussions on macro-economic policy, public sector reviews, sectoral plans and via the PRSPs.

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Donors are beginning to accept the need to include policies to reduce inequalities and exclusion in conflict-sensitive development (DFID 2007). Once correcting HIs is accepted as an important objective of aid policy, there are many ways that aid donors could contribute towards achieving this.

First, donors should monitor what is happening to HIs in the country. In some countries, there are good data and policies, but in many more information is not collected systematically on this issue. Aid donors should support collection of social and economic data on group lines, by including questions about group identity in censuses and household surveys in a sensitive way. Imaginative use of existing data can give a good guide to the situation – in particular, regional data can often be used as a proxy for ethnic data.

Secondly, aid donors should include considerations of HI in all aid instruments, including PRSPs, public expenditure reviews (PERs), Poverty Reduction Budget Support (PRBSs), Sector Wide Programmes (SWAPs) and macro-policy design.

Correcting HIs can involve a wide range of policies, many of which are affected by aid instruments, especially where aid donors have broad discussions of policy with national decision-makers. A first priority is to sensitize such decision-makers to the need to consider HIs in policy-making. NGOs should also be aware of these issues. Appropriate policies to reduce HIs differ according to context, but relevant policies include:

- investment, credit and extension policies to help offset regional imbalances;
- education and health policies aimed at ensuring ethnic/religious and regional balance in access;
- policies that promote skills and training of disadvantaged groups;
- policies to outlaw discrimination including fair employment legislation;
- policies to help disadvantaged groups realize their legal rights, e.g. via legal aid;
- policies towards rights to land and natural resources to ensure balance in access and benefits;

- policies towards achieving equality in cultural recognition;
- policies to regulate the media to ensure equal access;
- policies towards civil society to encourage group interactions; and
- consideration of affirmative action policies where other approaches do not contribute enough to reducing such inequalities.

This is a long list. In practice, early assessment of the country situation will reveal where the priorities are. For example, in Ghana, where there are

What are Horizontal Inequalities?

Horizontal inequalities are inequalities between culturally defined groups, e.g. ethnic, religious, racial or caste-base groups. They encompass economic, social and political dimensions:

- Economic HIs include inequalities in asset ownership, employment and other economic opportunities, leading to inequalities in incomes.
- Social HIs include inequality in access to services, such as education, health, and housing, associated with inequalities in health and educational outcomes.
- Political HIs consist in inequalities in the group distribution of political opportunities and power, including control over the presidency, the cabinet, the army, the police, and regional and local governments.

large horizontal inequalities, it is apparent that the major problem is the economic development of the North and its integration into the Southern economy. This means infrastructure investment is a priority and assistance in generating productive opportunities in the North.

HIs need to be introduced in PRSPs. Reviews of existing PRSPs show that ethnic or religious distributional issues are rarely reported upon, though this is beginning to change in conflict-prone areas. While gender equity is considered in the majority of cases, a review showed that ethnic minorities were mentioned in only a quarter of the cases

examined. Cases in which ethnic minorities were not mentioned included heterogeneous countries at risk of conflict, such as Azerbaijan, Benin, Burkina Faso, Chad, Guyana, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Tanzania and Uganda (Stewart and Wang 2006). Group equity considerations should also enter into the decisions as to whom to include in the participatory exercises. As noted by Booth and Curran “the participation of minorities or indigenous peoples is either often overlooked or simply regarded as impractical due to their marginalization” (Booth and Curran 2005:11).

HIs need to be included in any donor involvement in PERs and in discussions of PRBSs. This requires an assessment of the distribution of the benefits of public expenditure by group. Given data problems, this can often be approximated by regional data. The equity of group distribution of government expenditure can then be introduced as an explicit consideration along with the normal efficiency and poverty-reduction criteria.

SWAPs also require an assessment of the group equity of programmes, with requirements for improvement when large inequalities occur.

Macro-reform programmes have strong implications for distribution. Programmes generally favor tradables over non-tradables which can have serious implications for group distribution, sometimes so much so that they more than offset any public sector policies designed to correct such inequities. This is the case in Ghana, where the North is benefiting from deliberate attempts to increase social sector investment, but this is more than offset by economic developments favoring the rest of the country, so that North-South inequalities in incomes and poverty are increasing. Less than 1% of foreign direct investment goes to the North. The group distribution of macro-policies needs to be assessed and taken into account in the design of policies.

Finally, HIs need to be considered in country allocation of aid. Countries with heterogeneous populations need more aid than homogeneous ones, because of the need to consider equity in resource

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Letter from the Director

In September of 2002, when I was brand new at EPS, I attended a conference organized by the US Army on *National Security in the 21st Century*. The first session tied economic issues to security, and speakers on this panel included Ambassador Peter Galbraith and EPS trustee Douglass North. Dr. North spoke about the need to understand the motivations behind our adversaries' actions before we can enter into dialogue or come to any meaningful resolution of issues. He said that people make decisions based on their beliefs, and until we understand these beliefs, we can not understand their actions. He spoke generally, but in the climate of the day, we understood he was referring to radical Islamic terrorists.

During the conference I had the opportunity to ask several four star generals and other Army brass how they felt about the coming war. They expressed to me their conviction that war with Iraq was unnecessary and not a good enough cause to put people in harm's way. Of course, they would do what they were asked to do, but they understood better than anyone the need to use this most precious resource wisely. I wished that the actual people who eventually were to make the decision to go to war could have been there to hear Dr. North and the others.

I also found Dr. North's statement to align closely with my personal philosophy and with EPS's mission statement. We "seek to create and promote a better understanding and a more friendly relationship between races, nations, and classes of people [and] to foster a desire for universal perpetual peace on the part of the nations of the world."

I recognize that conflict, in the sense of mutually divergent desires, is inherent in most relationships. As individuals, you and I are going to want different things. Sovereign nations are going to have different goals. The questions then becomes what do we do about this "conflict." There are many ways we can choose to settle our different points of view. We can agree to disagree, we can find some compromise, we can get creative and find a win-win solution, or we can fight it out and let the strongest win.

Later that fall, I participated in a workshop led by Johan Galtung. His TRANSCEND method aims to overcome even the win-win

mentality (which is based on the concept that some might lose), and moves participants instead towards mutual respect and understanding. Dr. Galtung's method is deliberately set up to work at the interpersonal as well as international level. He refers to conflict transformation through the peaceful means of empathy, nonviolence and creativity. With these tools used as the key approach to conflict work, sustainable solutions and dignified parties become more likely results.

In the nearly six years since those two events, I have had the honor to meet many people associated with EPS who, in various ways, are thinking along the same lines. In this issue, we look at just three of the many available tools to reduce conflict by non-military means: using aid to equalize access to economic, social and political power; mediation as a road toward building trust and mutual appreciation; and building regional economic and political integration bodies.

There are many initiatives, now under development, designed to foster non-military conflict transformation solutions. Among them is the UN's Global Compact, a framework for businesses that are committed to aligning their operations and strategies in the areas of human rights, labor, the environment, and anti-corruption. The Global Compact website states, "Business, trade and investment are essential pillars for prosperity and peace. But business is too often linked with serious dilemmas – exploitative practices, corruption, income equality, and barriers that discourage innovation and entrepreneurship. Responsible business practices can in many ways build trust and social capital."

There is a growing body of literature on the economics of trust and reputation. Trust is a trendy concept in business management training. So far I have been unable to find any work by economists applying these techniques to peace and security issues; however, should our readers know of any such work, I would be happy to be proved wrong! Since so many conflict prevention, resolution and transformation methods rely on building understanding, respect and trust, it is my hope that perhaps this issue of the Quarterly might inspire some to turn their sights this way.



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allocation. Moreover, heterogenous countries have been shown to have lower growth rates than homogenous ones. Yet, at present, aid allocation favors homogenous countries.

In the longer run, the objective of reducing HIs is compatible with other aid objectives, such as promoting growth and reducing poverty:

- It will assist growth, by tapping the potential of the deprived groups.
- Improved political stability will assist both growth and poverty reduction.
- It will contribute to poverty reduction goals by helping reach the most deprived, often difficult to reach with normal poverty reduction programmes.

A human rights approach

A human rights approach to aid and development offers a helpful general approach from the perspective of reducing HIs, while being grounded in natural law and international agreements. In particular, respect for minorities, policies to outlaw discrimination, and assistance for the greater empowerment of weak groups are all central to such an approach, while contributing to reduced group inequalities.

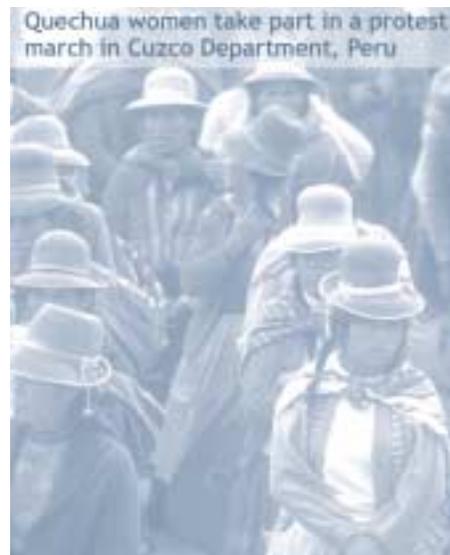
How aid can worsen horizontal inequalities

Aid is intended to promote growth and poverty reduction. It is frequently blind to issues of HIs. The impact of aid, consequently, can be to worsen horizontal inequalities where these do not form an explicit consideration in aid policy:

- Some programmes designed to favor particular groups contribute to widening inequalities. Transmigration programmes in Indonesia, supported by the World Bank and other donors, privileged Javanese and marginalized some local groups, worsening land and income distribution across groups.
- Structural adjustment programmes are blind to these issues and can exacerbate horizontal inequalities where more privileged groups are in the favored tradable sectors and worse-off groups are concentrated in the subsistence and non-tradable sectors. In Mozambique, the gainers are the producers of cashews, cotton and sugar, mainly located in the Center and South,

and the losers the much poorer groups in the North.

• Projects and programmes to reduce poverty are often focused on the areas that are easiest to reach – those around the capital city – and remote areas tend to be neglected, worsening horizontal inequalities. This is the case in Bolivia, Peru and Guatemala.



• Processes of implementation often lead to a bias in the benefits of aid distribution, as particular groups control resource flows. A study of a capacity-building programme for Kenyan civil servants found that, in practice, it was biased by senior officials in favor of their own ethnic group (Cohen 1995).

• Especially where class and ethnicity overlap, the channelling of aid through privileged, educated intermediaries can unwittingly compound prevailing discriminatory attitudes and practices.

• The current country distribution of aid favors ethnically homogenous countries over heterogenous ones, partly because large countries (which have greater heterogeneity) tend to receive lower aid flows per capita.

The link between horizontal inequalities and conflict

Horizontal inequalities can be a major source of conflict in both developed and developing countries. Group inequalities provide powerful grievances which may be used to mobilize people politically, especially when a socio-economically

deprived group is also without political power. The conflict in Côte d'Ivoire, the long wars in Guatemala and Sudan and the rebellion in Nepal are all examples:

• In Côte d'Ivoire, Northerners had two-thirds of the years of education of Southerners in 1998/9 while their infant mortality rate was 30% higher. Political inequalities were added to these socio-economic inequalities when the Northern candidate was debarred from the presidential candidacy in 1995 and 2000. Northern grievances were articulated in an anonymous document, the "Chartre du Nord," pointing to the inequities in resource distribution. Both political and socio-economic HIs were thus factors behind the violent rebellion which broke out in 2002.

• In Guatemala, the indigenous peoples have been badly treated and subject to acute deprivation from colonial times. Even today, their literacy rate is only 70% of that of the non-indigenous and their infant mortality rate is 56% higher. These strong inequalities, accompanied by almost complete political exclusion, underlay the massive conflict which lasted for more than two decades.

The commission which investigated the conflict found that the historical root causes of the conflict related to the "exclusionary, racist, authoritarian and centralist" characteristics of the state, economy and Guatemalan society (Comisión para el Esclarecimiento Histórico (CEH) 1999: 81).

• In Sudan, severe and longstanding HIs were clearly an element in the decades-long North/South conflict and are now relevant to the Darfur situation.

The "North" region, comprising about 5% of the population, has exerted a firm grip on political power since independence. It accounted for between 60% and 89% of ministerial appointments for most of the period from 1956 to 2000, with that figure never falling below 47%. Gross primary enrollment in the South was just 11.6% in 2002, compared with 82.4% in the North and 45.5% in Darfur. The infant mortality rate is systematically higher, and literacy lower, than the North throughout the country, with the worst situation in the South. Fiscal transfers, far from offsetting these HIs,

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actually reinforce them. Development expenditure per capita in Darfur was just 17% of the national average in 1996–2000, while no data at all were published for the South.

Regional redistribution of revenue and expenditure is an essential aspect of any post-conflict reconstruction, which was recognized in the 2005 peace agreement, and the issue is now one of implementation. The need for redistribution has become more acute with the discovery of oil resources, mainly located in the South.

• In Nepal, sharp caste and ethnic inequalities overlap with severe regional inequalities. Mean years of schooling among the top Brahmin caste and the ethnic Newar were double the national average in 1996, and their average

incomes 30% and 60% higher than the national average, respectively. In the case of the Newar, who are mostly located in and around the Kathmandu valley, this performance largely reflects equally serious regional inequalities. While development policies have attempted to redistribute towards impoverished regions, key political positions remain dominated by the top castes and the Newar ethnic group. Between them, the Brahmin and Chhetri (the second-ranked caste) and the ethnic Newar accounted for over 95% of recruitment into the civil service in 2001, despite constituting only around a third of the population. Parliament is also dominated by the same three groups – a situation which in fact worsened following democratization in 1990.

This policy briefing is based on CRISE Working Paper 36: The Implications of Horizontal Inequality for Aid, by Graham Brown and Frances Stewart.

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Blessed are the Peacemakers: Mediation and Peace

Gert ter Meulen and Jan Smit

Mediation is a technique for preventing or ending conflict. The core principle is that of parties appreciating and respecting each other, and appreciating and respecting each others' faith, background, interests, etc. Ultimately this is about achieving good relations. The prerequisite for appreciation and respect is at play between people. But what about, for instance, the relations between nations and organizations? Can mediation be of use in the prevention and ending of conflicts which supersede the individual? These questions are the focus of this article.

Good relations

What is necessary for good relations between people, within organizations and between nations? People want to be accepted for what they are. Just think of culture, background, gender, skin color and character. Appreciation of these aspects by others plays a crucial role for good relations between individuals. This appreciation consists in listening and questioning and giving the other party space. Holding particular points of view stand in the way of a generous appreciation of others and therefore good relations.

This principle of appreciation is central to mediation. Often this technique is used in a (threatening) conflict situation where individuals are involved. Take for instance a relationship in trouble

Overlooking the specific situation of the nation concerned is not conducive to an atmosphere of trust where both the party asking for help and the one providing the assistance can work together constructively so that the economic situation improves.

between employer and employee. Is it possible that this principle could be useful in improving or repairing good relations between nations or organizations? We try to answer this question by illustrating two concrete situations.

International economic aid provision

In his book *Globalization and Its Discontents*, Joseph Stiglitz, the Nobel prize winner for Economy 2001, gives a critique on the way the International Monetary Fund approached “clients,” Ethiopia for instance. The financial aid provided by the IMF was accompanied by the imposition of certain reforms, based on free-market philosophy rather than on the situation of the nation asking for assistance. Stiglitz characterizes the IMF’s approach as a standardized formula of “one size fits all.” The standard approach took precedence over detailed knowledge of the nation concerned. Overlooking the specific situation of the nation concerned is not conducive to an atmosphere of trust where both the party asking for help and the one providing the assistance can work together constructively so that the economic situation improves. Mutual acceptance and appreciation in particular can act as fertile soil for a healthy economic policy. This advocates the application of specific mediation insights in situations where nation states interact with international organizations, such as the IMF, but also for instance the United Nations.

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Managerial mediation

Parties in a (threatening) conflict situation represent certain interests. Thus a mediator must always be aware of the complex terrain where the opposing parties meet. The mediation principle of appreciation in this context means that all interests and hence all interested parties meet on a level playing field. This runs parallel with the body of thought of Corporate Social Responsibility. According to this way of thinking, organizations – especially enterprises but also government departments and non-profit organizations – are entities dealing with numerous interested parties, known as stakeholders. The stakeholders have a particular interest in the smooth running of the organization concerned. Employers, shareholders, clients, banks, environmental bodies, neighbors and the authorities can all be stakeholders in a commercial enterprise. The employee's interest in the enterprise is continuity (no loss of

employment), an acceptable wage and a good working environment. The specific interest of shareholders is a good return on their investment. Neighbors want measures in place to guard against pollution of the environment and the authorities want the enterprise to fulfill all the relevant legal requirements. Business managers are confronted with a wide range of interests. They have the responsibility to protect all these interests in such a way that all stakeholders feel appreciated. In short, the manager acts as mediator.

Mediation and peace

The mediator focuses on maintaining or restoring good relations between individual people. Mutual appreciation of characteristics and interests of the parties is at its centre. The two concrete situations outlined above show that the mediation technique could be applied in a broader sense. Mediation can promote harmony and stability on different

levels: with individual people as well as with nations and organizations. This presents opportunities for mediation as a generally applicable technique for prevention and ending of conflict. Mediators could in this way present themselves as independent experts, in situations of (threatening) conflict within and between nation states. The particular expertise of mediators, based on the principle of interest appreciation, enables them to make an important contribution to good relations and in this way to world peace.

Gert ter Meulen is a legal adviser on employment law and a mediator; Jan Smit is an economist and a business specialist and is involved in two organizations which consider peace issues, The Foundation for Peace Sciences and the coalition Economists for Peace and Security. Both authors live in the Netherlands.

Translation from the Dutch by Aleida Hawkins-Wassenaar

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Regional Integration and Conflict Prevention

Lucy Law Webster

In April 9, 2008 the United Nations University launched a World Report on Regional Integration. Published by Springer and edited by Philippe De Lombaerde, this set of papers of presents some of the challenges and achievements of a large number of regional and sub-regional organizations.

About 30 UN observers, ambassadors and officials attended the UNU book launch, including some five or six ambassadors from countries in Africa. In all the statements made no one challenged the premise of the UNU Comparative Regional Integration program that regional cooperation and integration have major value.

What impressed me most about the meeting was the warm regard expressed by the African ambassadors for the importance of regional integration and for the European Union as a model. Their statements indicated that each for his own reasons believed that current efforts at subregional integration

in Africa would gradually lead to more peace and prosperity and to greater integration and more effectiveness for the African Union.

**[C]urrent efforts
at sub-regional
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to more peace and
prosperity...**

This essay will focus on aspects of regional integration that contribute to conflict prevention; it will not discuss conflict resolution. Although non-military conflict resolution is a process to which various regional organizations aspire, many have thus far primarily undertaken peacekeeping operations using armed forces. This arises in part from the fact that many regional integration efforts focus primarily on economic integration

to improve the economic and social welfare of the region.

When Juan Monnet and Conrad Adenauer led the political movement to create the European Coal and Steel Community this was part of a deliberate strategy to meet immediate, recognized needs by cooperation and a pooling of capacities. It was also a deliberate step toward creating institutions that would prevent another European war between France and Germany.

It was predicted that the ECSC would grow and develop additional functions where the maintenance of peace and the prevention of conflict would be integral elements of every other function. The idea of spillover was consciously embraced by the creators of the Coal and Steel Community as was the idea of a transfer of loyalties. Spillover was seen as a natural process where success in one area of regional activity such as the management of coal and steel, would lead to additional areas of

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coordination and integration. The leaders of the time also expected a transfer of loyalties from the citadel nation state to a multi-state union.

These ideas were consistent with those of Karl Deutsch, who wrote "Political Community at the International Level" and Ernst Hass who wrote "International Integration: The European and the Universal Process." Both viewed the goal of integration to be world community. On the other hand, David Mitrany, who discussed integration with an emphasis on functionalism, did not see the need to create a world community since he saw the diversity of regional communities as optimum. He thought that pluralist, regional, and individual societies already existed and that the purpose of functionalism was to bind these components to work together internationally within a legal framework.

The value of functionalism was sometimes contrasted with the idea of federalism, which put more focus on integration per se as opposed to the practical functions filled by integration. Both concepts and the tensions between them were important to the development of the EU. Another important concept was the idea of subsidiarity which balanced the push for integration and also contributed to the fact that any political community that stresses subsidiarity is likely to nip many potential conflicts in the bud before they can gain ground. This comes about because a community with decision making as close to the people affected as possible is structured to avoid conflicts inherently.

Jan Tinbergen, who was one of the founders of Economists for Peace and Security and was also active in the European and the world federalist movements, defined subsidiarity as the distribution of decision making in the way that best serves the people closest to the problem in so far as the decisions taken do not impinge on larger groups. If they do, the decision making should be moved to a higher level.

Regional cooperation and integration institutions are designed to prevent conflict before it arises. The idea of prevention is built into the functional operational activities that are the essence of

the institution. Here are a few examples from the UN University book referred to earlier.

- In a chapter entitled "Western Asia and Arab Region," the book discusses the fact that a Greater Arab Free Trade Area was set up in early 2005 in order to have the WTO exemptions on normal trade barriers that are now allowed for intra-regional trade. The authors also report that some progress was made in Arab economic integration in 2004, but that it had become imperative for Arab countries to strive for further integration "in order to confront the challenges posed by new economic developments, such as the rapid opening up of the world economies and the increasing competition faced by developing countries from the products of large industrialized countries."

- It also reports that the Arab countries pursued a policy of encouraging investment which included adopting modern investment marketing techniques such as arranging marketing events, conferences, seminars and trade fairs and setting up 43 free trade zones and special industrial zones in seven Arab countries.

In the process of undertaking such cooperative activities, there is little opportunity for conflict between the states within the region. The system tends to prevent conflict by engaging its members in cooperation and healthy competition.

Nonetheless, most regional institutions do have structures for conflict resolution. In the EU, its conflict resolution skills and procedures have been used mainly to help countries that want to join the EU untangle themselves from old conflicts in order to qualify for membership.

In Africa, one needs to simply name the various sub-regional efforts to show that there is a great deal of effort being put into cooperation that increases integration and patterns of action that help to preclude interstate conflict:

- The Arab Maghreb Union (UMA), created in 1989, is trying to prepare a common market for Algeria, Libya, Mauritania, Morocco and Tunisia.

- The Common Market for Eastern

and Southern Africa (COMESA) was set up in 1981 to work toward having a free trade zone for 20 countries in the sub-region.

- The Central African Economic and Monetary Community (CEMAC) promotes cultural exchange, intra-trade, elimination of tariff and non-tariff barriers and the coordination of development programs and industrial projects.

- The Economic Community of West African States was set up in 1975 with 15 member states to gradually eliminate tariff barriers within the area and to allow for the freer movement of people within the region.

There are nine additional, similar sub-regional bodies with their own mandates and programs. While it may seem that having so many sub-regional communities must lead to excessive bureaucracy, I would comment that there are advantages in creating bureaucratic jobs and planning experience, especially in Africa where most career training is in the military and opportunities to exercise military skills are very tempting when there are few alternative paths to prestige and prosperity.

At the same time it is well known that there is a great deal of conflict in Africa, most of which is not inter-state conflict, but insurgency and civil wars where different leadership groups vie for power and control of the state machinery. In this context, the development of complex systems of cooperation and integration can lead to healthy non-military forms of competition. From this I conclude that there is no harm in having ample state and interstate machinery. For many less developed countries and regions, the process of planning for integrated development can create important spinoff effects to launch new private production and entrepreneurial activities.

Since the age of 17, Lucy Law Webster has been active in the World Federalist Movement all over the world. She is a retired United Nations Political Affairs Officer and Executive Director of the Center for War/Peace Studies. She is also a UN Representative for EPS and serves as its Board Secretary.

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Upcoming Events

July 25 – 26, 2008 The **Second Australasian Conference on Security, Peace Economics and Peace Science** will be held at Sydney, Australia. The meeting will be organized in cooperation with EPS-Australia, Peace Science Security (International), the University of Western Sydney, Macquarie University of Sydney and Binghamton University. If interested in attending the conference, please contact Professor Manas Chatterji at (607) 777-2475 or mchatter@binghamton.edu.

November 6 – 8, 2008 The European Association for Evolutionary Political Economy (**EAEPE**) **annual conference** in Rome, on 'Labour, Institutions and Growth in a Global Knowledge Economy'. More information on the conference can be found at www.eaepe.org. EPS member, Claude Serfati is the coordinator of the Research Area on "Political economy of peace, war and arms industries." If interested in participating in a session on this topic, please contact Dr. Serfati at Claude.Serfati@c3ed.uvsq.fr

Announcing the 2008 Isaac Roet Prize Essay Competition

The Isaac Roet Prize is an international essay contest about the promotion of world peace through economic interaction. Students from all economic faculties at universities around the globe are invited to participate and to write an essay on the theme of the 2008 edition of the essay competition: Resource access and world peace; policies to promote global stability in view of growing scarcity of non-renewable natural resources.

A prize of Euro 5,000 will be awarded for the best essay on this subject. Deadline for submissions is December 31, 2008. The maximum length of the essay is 10,000 words. Submitted essays must be unpublished. Only essays written in the English language may be submitted to the competition. The participant must not have passed his/her Master's degree (or the equivalent thereof) before January 1, 2008.

Details on the competition can be found on www.roetprize.org and www.peaceprize.org.

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