

## NOTE NO 9

# Promoting inclusive and sustainable growth in situations of conflict and fragility

## COMBATING THE DRIVERS OF CONFLICT BY STIMULATING GROWTH

### Topic overview

Growth and job creation are important elements in a strategy to address conflict and fragility. Low income, poverty and youth unemployment are major drivers of conflict. Jobs provide income but are also essential in reconstructing society, restoring confidence and breaking the cycle of violence.

An enabling environment for growth and jobs can be encouraged by the public sector, but ultimately growth and jobs are reliant on the private sector. A vibrant private sector is an important actor with much to lose in conflict and thus with much reason to prevent and avoid conflict. A recent study isolated five key factors that constrain the private sector in fragile and conflict-affected states (Box 1). External support that helps overcome these factors will tend to support inclusive and sustainable growth.

This topic note looks at the case of Niger where a number of interventions were made to integrate youth into the employment market in the country's volatile border areas.

### Key issues

Issues and dilemmas that have arisen in trying to promote inclusive and sustainable growth in situations of conflict and fragility include the following.

- **Growth and employment rely on the private sector.** It is often more difficult to help the private sector directly, especially in fragile situations where the sector is fragmented and informal. The public sector has a role in providing an enabling environment, but when the public sector is weak, it is often without sufficient capacity, legitimacy and authority to make a difference. Nevertheless, democratic local authorities can play a transitional role by providing jobs to youth through labour-intensive local infrastructure projects. The small-scale local private sector is often remarkably resilient during conflict.

### SUMMARY

- A broad range of stakeholders needs to be involved in promoting inclusive growth and jobs in situations of conflict and fragility.
- The public sector has an important role in promoting growth by supporting initiatives and creating an enabling environment.
- Providing jobs and livelihoods — even if just temporarily through public works — can build skills and prevent young men especially from joining conflicts.
- Restoring infrastructure can bring new opportunities for the local private sector to grow.
- Supporting growth and employment addresses the root causes of conflict and is part of the trajectory that links relief to rehabilitation and development.

### BOX 1 Five factors that constrain the private sector in fragile and conflict-affected states

- Instability and political risk
- Access to electricity and transport infrastructure
- Weak capacity in the public and private sector (including weak governance and a skills deficit among potential workers)
- Poor investment climate (including business regulations and land rights)
- Access to finance

Source: IEG, 2013.

- **Careful sequencing and prioritisation are needed.** Support for growth and employment needs to start early, and supporting economic activity is an ideal preventative measure. During intense conflict, there are other priorities and it will often be impossible to make meaningful contributions to growth and employment. Supporting growth and employment addresses the root causes of conflict (which are very often linked to lack of development) and is part of the trajectory that links relief to rehabilitation and development. As agriculture is a major employer, the sequence is often from food security towards agricultural development and marketing. Recovery may focus initially on emergency employment for high-risk and needy groups; a shift to income-generating activities, private sector development and microfinance; and, finally, the creation of an enabling environment (IEG, 2013).
- **Extractive industries can fuel conflict as well as provide employment.** Extractive industries are not necessarily labour intensive and usually require special measures to create jobs. If not well managed, they can fuel conflict. Specific conflicts linked to these industries might increase in an unstable and fragile situation (i.e. involving pollution, water resources, etc.).
- **Improving infrastructure — particularly access to electricity — is important to private sector growth.** Even in fragile situations, there are opportunities for improving the energy sector and transport. Blending of grants with loans can be used to reduce punitive risk premiums.
- **Crowd in rather than crowd out the private sector.** Support activities in the rehabilitation and development phases should take into account the market situation during design, avoiding interventions in already saturated markets. Improved infrastructure (i.e. feeder roads) is crucial in increasing the offer of, and demand for, goods and services.

## Case study

### Niger: multiple interventions to integrate youth into the employment market in volatile border areas

#### SOURCE



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#### CONTEXT

Niger has suffered in the past from political turmoil and a number of armed rebellions. But now the problem is at Niger's borders. Instability has been growing during the last few years, not only threatening but now affecting Niger with spill-over effects.

- At the northern border, the 2011 revolution in Libya has resulted in the demobilisation of numerous former Tuareg rebels (Nigeriens and Malians alike) who had served under Colonel Gaddafi's regime and who eventually returned after its collapse. The uncontrolled circulation of weapons, drugs and human trafficking in the aftermath of the Libyan conflict is threatening stability in the entire Sahel area.
- At the north-western border, Niger's direct involvement in the military operation initiated by France in January 2013 resulted in spill-over effects to Niger (i.e. synchronised suicide attacks to military barracks in May 2013). The involvement of Nigeriens has not been officially revealed, although the complicity of the local population seems to have been essential in carrying out the attacks. The arrival of tens of thousands of returnees and refugees to the area escaping abuses perpetrated by extremist groups in Mali and later from military operations has added confusion, because of the likely presence of terrorist elements among these refugees.
- On the southern border, instability is rising due to Boko Haram terrorist attacks in Nigeria and the severe response of the Nigerian army, resulting in the loss of more than 3 600 lives (according to Human Rights Watch reports). Both sides of the border are populated by the same ethnic group, the Hausa, with an intrinsic risk of contagion because of ethnic solidarity and border porosity. These risks are being exacerbated by the arrival of more than 6 000 returnees and refugees escaping from the military operations in Nigeria. The presence of Boko Haram elements among these refugees cannot be excluded.

Regionally, Al-Qaeda in the Islamic Maghreb (AQIM) and the Movement for Unity and Jihad in West Africa (MUJWA) have been responsible for actions in Niger since 2008. These include attacks against the Nigerien army and kidnappings, as well as the killing of several Westerners. These groups are also involved in all kinds of criminal cross-border trafficking. The presence of Mokhtar Balmokhtar's group (*les signataires par le sang*) has also been confirmed, as they claimed responsibility for the attack on Niamey's prison and the subsequent escape of Boko Haram members that brought the terrorist threat to the very heart of the capital.

## CHALLENGES AND OPPORTUNITIES

A range of actions was needed both to prevent the rise and intensification of conflict but also aid post-conflict recovery. The challenges were significant.

A key opportunity was to promote the social and economic integration of young people including former rebellion fighters, mercenaries and returnees from Libya. These opportunities included activities to provide training and services to help the youth find employment. An improvement in the provision of health services in remote areas was also seen as a factor that could help stabilise the situation in the short term.

## ACTIONS TAKEN

An IfS (now IcSP) programme on support for security and stabilisation in northern Niger and Mali was initiated in early 2012 to end early 2014 (EUR 10.9 million). Multiple interventions were implemented to create an enabling environment including the creation of municipal police in 15 municipalities, de-mining to make areas accessible and encourage the transport of goods, and providing better health services. These interventions to improve aspects of the enabling environment complemented two specific interventions targeted at employment and growth:

- **Supporting vocational training and career development needs.** Activities undertaken include the creation of two additional platforms aimed at helping youth to integrate into the labour market and the construction of two vocational training centres, where 205 young women and men have already been trained. Additionally, 121 elected municipal counsellors and mayors received training on local governance issues, financial management and tendering. This training helps the enabling environment and ensures that public works create equal opportunities for employment.
- **High-intensity labour initiatives and small infrastructure works at the local level.** These efforts are having a very positive impact at the social and economic level as well as from an environmental point of view. Social cohesion, local governance and access to public services have been reinforced through these projects, encouraging dialogue between communities and local authorities. In terms of peace consolidation, the community works programme funded 368 000 working hours — the equivalent of 1 400 jobs over one year — offering employment opportunities to many young people, mostly identified as being at risk. Additionally, the programme has supported the implementation of income-generating activities resulting in the creation of approximately 2 000 jobs.

As the situation in neighbouring countries (Mali, Nigeria) was aggravating insecurity in some of Niger's areas, a second IfS (now IcSP) programme on support to reducing risks in terms of security and instability in the north-west and south-east of Niger was initiated at the end of 2014 (EUR 18.7 million). This second programme is extending geographically and reinforcing the activities implemented under the first programme, and is introducing some new ones: promoting tolerance and religious dialogue, offering cultural/entertainment opportunities to youth and contributing to border post security.

## LESSONS LEARNED

Comprehensive involvement of all stakeholders is necessary to ensure correct targeting of activities and beneficiaries. This will also result in a positive perception of the intervention by the local population.