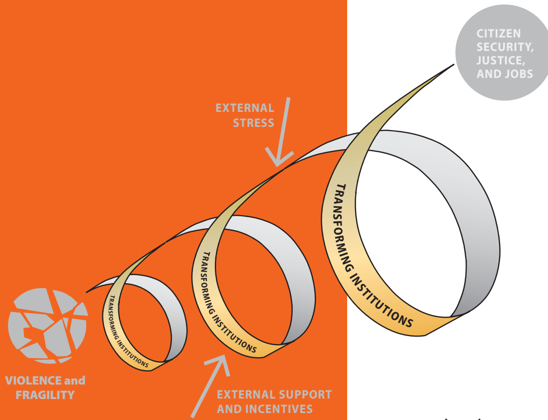
Chapter 5 describes the dilemmas of institutional transformation for resilience to violence. The first of these is about timelines: delays in a "too slow" reform process prolong states' vulnerability to violence. But lessons from the history of institutional transformation provide cautionary evidence that going "too fast" creates other risks of backlash. Countries that have addressed violence have sequenced reforms, frequently over a generational time period, to develop social consensus, and to allow their societies to absorb change and to develop their institutional capacities. The second dilemma is about the prioritization of institutional reforms. This chapter provides lessons from country reform approaches to security, justice, and jobs, as well as from wider issues like elections and corruption, on how experimentation, adaptation, and pacing can result in "best-fit" reforms that are adapted to the local political context.



CHAPTER 5

Transforming institutions to deliver citizen security, justice, and jobs

Pacing and sequencing institutional transformation

Pent-up demands for change in fragile and transitional situations, and the importance of legitimate, capable, and accountable institutions for violence prevention, mean institutional transformation is central to effectively linking security and development approaches. This section of the Report describes lessons on the pacing, prioritization, and sequencing of reform.

Avoiding "too much, too soon," and finding the "best fit"

With deficits in the quality of governance in many sectors in most fragile situations, the best approach may seem to be rapid, across-the-board institutional transformation. But the *scope* and *speed* of reform are themselves risk factors—and attempting to do too much too soon may actually increase the risk of resumed conflict. The "too much, too soon" syndrome leads to many of the symptoms observed in difficult transitions such as the following:

- Overtaxing the existing political and social network capacity of national reformers (as in the Central African Republic and Haiti in the early 2000s).[1]
- Transplanting outside "best practice" models without putting sufficient time or effort into adapting to context (for instance, in Iraq).[2]
- Adopting an output orientation that defines success in the de jure space in the capital city (for example, by passing laws, writing sector plans and policies, or creating new commissions or organizational structures) and not an outcome orientation in the de facto world where people live (by improved services, even if basic, in insecure and marginalized rural and urban areas), such as in Timor-Leste from 2002 to 2005.[3]
- "Cocooning" efforts into parallel channels that facilitate short-run accomplishment by bypassing national organizations and institutions, and undermine national institution-building in the longer term, as, for example, in Afghanistan in 2001–03 and to some extent afterward.[4]

Once national and local reformers have set priorities and sequenced their goals for transforming institutions, the next steps might seem straightforward. Out there somewhere is the "state of the art," the "best practice," the "technically perfect" way. Common sense says not to "reinvent the wheel" but to adopt what works well. And so, national and international actors alike feel the temptation

REFLECTIONS FROM ADVISORY COUNCIL MEMBERS: *2011 WORLD DEVELOPMENT REPORT*

BOX 5.1 *China's approach to gradually piloting economic reform*

Ambassador Wu Jianmin, Chairman of the Shanghai Center for International Studies; *WDR Advisory Council Member*

China's economic reform and opening up to the outside world policy has led China in the last 32 years to a strong and steady growth. This policy generated a tremendous change in China. There are three key factors which made China's economic reform successful: bottom-up approach, gradualism, and a principle to pilot reforms and measure their impact before debating whether they should be national policy.

China's economic reform started first in the countryside. In 1978 China's urbanization rate was 17 percent. The overwhelming majority of the Chinese population was in the countryside. In 1978, 18 peasants from Anhui province, Xiaogang village, decided to break away from the centrally-planned economy and signed a secret contract. In accordance with this contract, they divided the land at their disposal into small pieces. Every peasant was responsible for his small piece of land and agricultural production. This contract provided a powerful incentive for them to produce more food, so that they could enjoy a better return. The provincial government was very much supportive of this 18 peasants' initiative. At the same time, in Guangdong province, some people started private business with the local government's tacit agreement. However, other provinces were very much skeptical about it. They believed that kind of reform was wrong, "capitalistic," and incompatible with a socialist China.

The central government of China did not ask other provinces to adopt the same reform. It wanted the good results of the reform to convince those hesitant provinces. The fact speaks louder than any argument. Three years later, Anhui province which practiced this reform enjoyed more food on their plate. Gradually, other provinces followed suit.

At the beginning of China's economic reform, people had very different views about it. Many people believed that the reform underway was not in compliance with Chairman Mao's teaching. The Chinese government under Deng Ziaoping adopted a principle to pilot reforms and measure their benefits before debating whether they should be national policy, building on the change in thinking that had taken place after the Cultural Revolution which aimed to "emancipate the mind" from divisive ideological debate.

To carry on successfully the reform, what we need most is people's support. We can get it only when reform brings tangible benefits to the people. Step by step, a unified narrative on development, based on results, was created. History proved Deng Xiaoping right, avoiding the division of the Chinese people into different camps, or engaging in an endless sterile debate and instead producing a real improvement in the people's welfare.

to apply off-the-shelf international best practices. But these practices are often designed for environments that are secure, have a high degree of capacity in state institutions, and have functioning competitive markets. Environments of repeated violence are insecure, have institutional deficits, and generally have only partially functioning markets. So the simple notion of "not reinventing the wheel" and just adopting best practice does not succeed nearly as often as one might hope.

An alternative is to focus on pragmatic, best-fit options adapted to political realities, institutional capacity, and levels of insecurity. Countries successfully moving away from fragility or violence have adapted solutions from abroad to suit their context. The fact that simply copying does not work does not negate the value in learning from other country experiences. By so doing, countries create their own practical and feasible solutions adapted to their particular set of available institutions and capabilities. An example is China's Township and Village Enterprises: These were not "private sector" firms at all. They were instead a transitional device that provided many of the functions of private sector firms (dynamism, innovation, investment) without all the legal and institutional accoutrements private sector firms need. So, rather than wait for the environment to be right for one institution (private firms), the Chinese government created a new form of enterprise (box 5.1).

Early attention to basic functions of citizen security, justice, and job creation

Chapter 2 underlined that the stresses associated with violence can occur in the security, justice, and economic arenas. The research

REFLECTIONS FROM ADVISORY COUNCIL MEMBERS: *2011 WORLD DEVELOPMENT REPORT*

BOX 5.2 *It takes time to build institutions. First things first—citizen security, justice, and jobs*

Minister George Yeo, Minister of Foreign Affairs, Singapore; *WDR Advisory Council Member*

It takes time to build institutions. Getting the urgent things done first, especially improving security, delivering basic justice, and providing jobs, helps people to feel more hopeful about the future. Success then creates the condition for further success. Without a practical approach, new institutions cannot take root in the hearts and minds of ordinary people. For Singapore in the early years, being pragmatic was not a choice but a necessity. Ideology was a luxury we could not afford. We had to do first things first and get our priorities right. Then, as the economy took off and life got better, we could be more refined and sensitive in public policy. We were fortunate to have many friends who wished us well and assisted us in ways big and small.

In the first few years of independence, the priority was on security, law and order, and creating favorable conditions for investment and economic growth. Confidence was everything. National Service was introduced within a year. Secret societies and other criminal activities were suppressed. Corruption was progressively rooted out. To promote investment, labor and land acquisition laws were reformed early. Against conventional wisdom in many developing countries at that time, we eschewed protectionism and encouraged multinationals to invest. We did not allow profit to become a dirty word. Opening wide the portals to the outside world was a sine qua non—the sea port, the airport, telecommunications. Managing the politics of change was always a challenge. At every step of the way, we had to give hope to the population that tomorrow would be better than today. A long-term massive public housing program was launched with home ownership a priority. This gave every household an equal stake in Singapore's development. The program was financed through a system of compulsory savings. A national focus was brought to the education system, helping us to overcome racial and religious divisions. Having to accommodate so many people on a small island, we had to develop skills in urban planning, including good public transportation, traffic management based on pricing of scarce road space, and provision of green space so important for public morale. We studied the experiences of other countries and adapted them to our own situation.

All this had to be done in a way that won majority support at every general election. The key was winning the trust of the people. Institutions which endure are sustained by the respect and affection of the population. It is a process which takes at least a generation. Institutions are not built by merely passing laws or engaging consultants.

on the stresses and institutional factors associated with risks of violence covered in chapter 2, country cases studies, and consultations with national reformers all point to the importance of prioritizing the institutions that provide citizen security, justice (including control of corruption), and jobs to prevent a recurrence of violence and lay the basis for future reform.[5] This prioritization is confirmed by findings of the Voices of the Poor project and the country-level surveys conducted for the WDR: people's top priority after basic security and law and order is their own economic survival.[6] Prioritizing security, justice, and jobs does not mean addressing all the wide-ranging functions that will be needed in these areas as societies develop—but simply focusing on basic progress in these areas early in transitions from violence (box 5.2)

This chapter presents a range of practical interventions across the domains of security, justice, and jobs. These interventions include those that deliver early results to build citizen confidence, which can either buy time for institutional reforms to take hold, or actively support such reforms. Emphasis is also placed on interventions that use best-fit institutional approaches that offer practical solutions to given problems; they may be context-specific, but they demonstrate the adaptability of a wide range of tools. Early actions and best-fit approaches are linked to priority reforms that can be undertaken with limited capacity, even in fragile contexts. These are set apart from reforms that would generally be applied more gradually as they require more fundamental social, economic, or political shifts.

Multisectoral approaches

The interventions in this chapter are presented for each domain—security, justice, and jobs and associated services—separately.

BOX 5.3 ***Coordinated political, security, and development responses to violence—Lessons from urban, subnational, and organized criminal violence in Latin America***

Multisectoral violence prevention programs suggest a way of bringing different actors together to address the complexities of violence. In rapidly urbanizing areas—not only in the developing world, but also in high- and middle-income countries—violence is characterized by the convergence of a wide range of risk factors, including overcrowding, inequality, youth unemployment, and drug crime. While violence has traditionally been managed through the criminal justice sector and coercive responses, recent multisectoral approaches, particularly in Latin American cities, have demonstrated the benefits of a more integrated response. The approaches emphasize a balance between long-term structural prevention and control-oriented approaches and address a variety of stress factors simultaneously. The emphasis on local government and community engagement in design, implementation, and oversight has fostered better diagnoses of the drivers of violence and ensured stronger community ownership.

The city of Belo Horizonte, Brazil, had a steep rise in homicide rates from 1997 to 2001. The victims and perpetrators of violence were often young men under the age of 24 living in slums. Preventive actions were implemented by the state government of Minas Gerais, in partnership with the city and nongovernmental organizations, under the program *Fica Vivo*, which targeted youth for social support, education, and sports. Social interventions were accompanied by a new form of policing that first captured sought-after criminals and then installed a permanent community police element—gaining the trust and confidence of the population. An evaluation of the program in one of the targeted communities showed reductions of as much as 45 homicides per 100,000 inhabitants per semester compared with the rest of the city. *Fica Vivo* has a return on investment of 99–141 percent of the total cost of the program.

In Bogotá, Colombia, between 1993 and 2002, a multisector strategy was credited with progress in combating urban violence. The strategy included campaigns to promote citizen disarmament and control of alcohol consumption; neighborhood crime-monitoring committees; family police stations to control domestic violence and reduce assaults on women; police reform measures; urban renewal efforts, such as the *Transmilenio* urban transport program; and employment programs. Evaluations showed that some of these interventions resulted in sizable reductions in the levels of violent crime. For example, restrictions on gun carrying during weekends and holidays are credited with reducing the homicide rate by 14 percent. The urban renewal and transportation program, known as *Transmilenio*, was credited in some of the most violent areas of Bogotá with reducing overall levels of crime and violence dramatically by 86 percent. Interventions related to the strengthening of the police force and interventions to alleviate the backlog of cases in the judicial system and speed up trials also had notable reductions in the levels of violent crime, with a 76 percent reduction in the assault rate.[7]

Source: Alvarado and Abizanda 2010; Beato 2005; Fabio 2007; International Centre for the Prevention of Crime 2005; Duailibi and others 2007; Peixoto, Andrade, and Azevedo 2007; Guerrero 2006; Llorente and Rivas 2005; Formisano 2002; WDR team consultation with law enforcement, civil society, and Brian Center (Executive Director, A Better LA in Los Angeles), 2010.

However, their combination, both within and across the domains, is both feasible and, in fact, desirable in most instances, as highlighted in chapter 4. The interventions thus should not be viewed in isolation but as part of a comprehensive approach to delivering results and transforming institutions. Specific multisectoral approaches bridging these areas have generated promising results. For instance, in rapidly urbanizing areas in Latin America and the United States, where gang- and drug-related violence have resisted "hard" policing efforts,[8] there has been over time a gradual shift toward multisectoral programs of prevention at the community level. The programs combine short-term, quick-impact programs (targeted policing, urban upgrading, and social service provision) with longer-term preventive interventions (changing cultural norms, building alternative conflict resolution mechanisms). Brazil and Colombia have established some of the most intensive efforts to foster multiagency approaches, creating teams drawn from the military, police, and civilian service agencies that work together in combined national and local offices to address all aspects of local crime reduction and violence prevention (box 5.3). While programs of this kind are demanding for interagency coordination, their results suggest that their underlying principles are worth considering in violence-affected areas in other regions.

Citizen security

Consolidating and coordinating security services is a fundamental first step in institutional reforms to prevent violence. For-

mer United Nations (UN) Under-Secretary-General for Peacekeeping Operations Jean-Marie Guéhenno points out that, "Re-establishing trust between the people and the state must therefore start with the core function of a state, the capacity to assert its monopoly on the legitimate use of force."[9]

A state may have lost the monopoly over the use of force because rebel forces or armed criminal groups operate in its territory with impunity—but also because fragmented security services within the state operate without overall coherence of command and control, contradicting each other. In the West Bank and Gaza, prior to security reforms enacted in 2005, the Palestinian security forces had 12 divisions under multiple chains of command and multiple authorities, employing 40,000 people. This lack of monopoly of force and clear lines of authority had the effect of increasing the potential for corruption and racketeering.[10] The need to consider a coordinated approach on police and military reform is also recognized in the 2007 security sector reform framework of the Organisation for Economic Co-operation and Development–Development Assistance Committee (OECD-DAC).[11]

Civilian oversight of the security forces is important early on if security forces are to be used in the national interest and prevent abuses. It involves links between political and security strategy and public finances. Three key elements in successful civilian oversight are as follows:

- Have political and military leaders discuss the mission of the security forces in supporting national objectives. This occurred in Colombia as part of the Democratic Security Policy (box 5.4). In contrast, little dialogue was held in Timor-Leste between 2000 and 2005 on the missions of the army and the police, which some argue culminated in renewed violence in 2006.[12]

- Use public finance systems to reinforce civilian control. Obviously, security sector personnel need to be paid and adequately equipped to perform effectively. They also need to be accountable for their finances: civilian oversight cannot work effectively where the security forces draw their sources of revenue off-budget. Equally important, ensuring that the security and justice sectors are funded adequately and transparently is critical to stem the diversion of illegal revenues from natural resources or trafficking to the security forces. Reforming budget systems in the security services was part of the Colombian Democratic Security Policy (box 5.4).[13] Reducing off-budget sources of finance (such as revenues from companies) was similarly important in Indonesia's transformation of the role of the military in political life. Palestinian leadership eventually addressed the fragmentation of the security forces by complementing political and security strategy with the use of budget and payment systems to increase accountability.[14]

- Commit the military to improvements in accountability and human rights. Underdeveloped security forces deployed into intensified operations may end up accused of preying on civilians, as in the Democratic Republic of Congo.[15] Such abuse is potentially disastrous for the legitimacy of the state because it cuts to the heart of the government's obligation to care for its citizens.

In post-conflict contexts, large security forces can be an unavoidable necessity in the short term, even if they are a drain on financial resources. The need to build trust between erstwhile enemies may call for the integration of the belligerent forces rather than their immediate disarmament, demobilization, and reintegration (DDR). For instance, following the end of the Ugandan civil war in 1986 and subsequent agreements between opposing forces, fighters were integrated into the National Resistance Army before the demobilization and reintegration program, the Uganda Veterans Assistance Program, was launched in 1992.[16] Similarly,

REFLECTIONS FROM ADVISORY COUNCIL MEMBERS: *2011 WORLD DEVELOPMENT REPORT*

BOX 5.4 *Colombia's establishment of civilian oversight and the Democratic Security Policy*

Marta Lucía Ramirez de Rincón, Director, Fundación Ciudadanía en Acción; former Senator and Chair of Security Commission, Colombia; former Defense Minister and former Foreign Trade Minister, Colombia; *WDR Advisory Council Member*

The challenge we faced in 2002 was preventing Colombia from becoming a failed state. This meant shielding our citizens from kidnapping and terrorism. It also meant protecting our infrastructure, roads, and democratic institutions against attacks by the guerrillas, the paramilitaries, and drug traffickers.

President Uribe's Democratic Security Policy called for the presence of the military and police over the entire territory of the nation within six months. This required not just more people in the armed forces, but also providing them with more equipment and better training in human rights and doctrine, so the police and military could operate successfully under a single command. It was also a result of American cooperation through Plan Colombia, a program initiated by the previous Colombian government, headed by Andrés Pastrana.

From the beginning, we stressed the importance of greater civilian control over defense. We brought civilians into the ministry to work with the military commanders on defense and security policy. This had the additional benefit of greater transparency in budget allocations and the management of other resources used by the military. Civilian engagement in budget planning with security force colleagues helped in the success of the Democratic Security Policy.

Having strengthened civilian control of the ministry, we embarked on an unprecedented exercise in developing a 10-year strategic plan with performance indicators against which we could chart progress in implementing the president's security policy. As Minister of Defense, I brought in representatives of the business community and academics of different ideological tendencies to provide input for the national security policy. The goal was both to increase the legitimacy of the policy and to build confidence in the armed forces. This was the first time such consultations had taken place. I also called on entrepreneurs to let us use their experience to help the government with procurement systems, logistics, and state-of-the-art technologies.

It is hard to put your finger on the precise reasons for our success. But over the past eight years we have won back control of the national territory. We have ended kidnapping on our roads—in the so-called "Pescas Milagrosas." And we have seen the number of terrorist organizations decline to the point where it would be hard to imagine their revival. Our focus now is on maintaining momentum. We must continue to pursue the policies that have brought success in recent years. And we must go further by strengthening our institutions and ensuring democratic civilian control of the armed forces whose monopoly over the use of force is recognized and respected.

WDR note: Why is it important to pay attention to the security and justice budgeting process?

Security and justice are essential public goods that benefit development and poverty reduction. It is both appropriate and necessary for the state to allocate resources for the maintenance of security and access to justice. Attention must therefore be paid to the financial management of the security and justice sectors so that resources are used effectively and efficiently against agreed priorities in a transparent and accountable manner.

Three crucial, inter-related components of managing security and justice expenditure are as follows:

- ***As in other parts of the public sector, security and justice budgets should be prepared against sectoral strategies.*** Governments must be able to identify the needs and key objectives of the security and justice sectors as a whole and the specific roles that the various security and justice actors will be asked to play.
- ***Resources must be allocated according to priorities both within the security and justice sectors and between security and justice and other sectors.*** Sectoral strategies and information on performance are critical components of the allocative process. The key financial and economic managers plus the legislature must have the capacity to be fully involved in this process, and the process must include all relevant actors. Security and justice must compete fully with other sectors for funding. Public expenditure analysis that covers the whole of government can help provide information to inform this process.
- ***Finally, resources appropriated must be used efficiently and effectively.*** This requires careful monitoring and evaluation of operational performance, both within the security and justice services and by civil servants. Basic well-functioning financial management information systems are critical in this regard. Additionally, it is extremely important that irregularities identified in the course of monitoring are addressed, lest a climate of noncompliance be created or reinforced. The transparency of procurement processes is as important in security and justice as in other areas. Internal audit units or inspector-general functions within the defense, justice, and interior ministries can play important roles in ensuring effective resource use.

Sources: Ball and Holmes 2002; Harbone and Sage 2010.

South Africa expanded the wage bill for security services as a transitional measure.[17] A lack of alternative livelihood opportunities also argues for a cautious approach to DDR. In Colombia, many former Autodefensas Unidas de Colombia (AUC) guerillas passed through a DDR process, only to reemerge as hired killers for the existing drug dealers or as leaders and operatives in new drug gangs.[18] The "least-bad answer" between fiscal costs and security risks may be tolerating an oversized security sector for a transitional period as a source of employment for combatants who would otherwise have little chance of finding work.[19]

Guéhenno also notes that "Trust depends on legitimacy, but legitimacy is also a function of effectiveness. A reformed security force needs to be perceived as professional. Recruitment and vetting [are] probably the single most important factor."[20] Dismantling covert, abusive, or corrupt networks within the security forces through recruitment or vetting has also been an important early reform in many countries that have sustained successful institutional transformations away from violence. In Bosnia and Herzegovina between 1999 and 2002, the United Nations Mission in Bosnia and Herzegovina (UNMIBH) vetted all law enforcement personnel in the country.[21]

The removal of abusers has often been achieved through indirect professionalization measures. For example, vetting in security services was not conducted in Argentina, but the requirement to accept nongovernmental organization (NGO) submissions on past abuses when confirming security appointments resulted in implicit "vetting out" of officers who did not want to face queries over their past records. Both Chile and Argentina made use of the recruitment of graduates into the security forces and increased emphasis on professional training to create an environment that furthered professional standards and made it difficult for abusers to prosper.[22]

Vetting programs can be strongly customized to context in three principal ways:

- Vetting programs differ in terms of their *targets*. No transitional society has reformed or vetted all institutions at the same time and, in fact, rarely even a single institution at all hierarchical levels. Choices have to be made about both the institutions where vetting will be applied and the positions within those institutions that will be subject to screening.
- Programs differ also in terms of the *screening criteria*. What kind of abuses, precisely, is the system designed to root out?
- Not all programs are the same in terms of the *sanctions* they impose; even firings can take place in many different ways (starting with a relatively mild one involving giving people the opportunity to resign without disclosing their participation in behavior considered abusive). Vetting sanctions can involve different degrees of publicity and also prospective limitations in seeking employment in various sectors in the future.[23]

Actions to reform the security services during transitions are often combined with deliberate decisions not to undertake actions that could threaten military support for change. In Indonesia, for example, the role of the military in civilian administration and in the economy was dramatically decreased, but little action was taken on past human rights abuses. In Chile, civilian oversight, elimination of abusive security units, and some prosecutions of past human rights abuses were undertaken quickly, but initial prosecutions were targeted and limited in scope and military revenues were protected under the "copper law."[24]

Attention to gender sensitivity and women's full participation in security-sector reform can contribute to success.[25] Women bring a more gender-specific value-added to broader security tasks, including enhanced access to services by women, fewer incidents of sexual misconduct, and greater trust of the civilian population in the security sector. Moreover, studies on policing have found that female police officers use less force, are better

at defusing potentially violent situations, and facilitate community policing well.[26]

In Nicaragua, gender reforms of the police sector initiated in the 1990s resulted in the police being described as the most "women-friendly" force in the region, hailed for its success in addressing sexual violence.[27] In a similar vein, the UN Mission in Liberia's (UNMIL) all-female Formed Police Unit undertook joint crime prevention night patrols with local police in Liberia, helping them overcome lingering suspicions of citizens whose trust in the uniform had been eroded by civil war.[28] In Namibia, a Women and Child Protection Unit was created within the police force to address the problem of domestic violence.[29] In Sierra Leone, female victims had also been reluctant to come forward and seek help from police. The UN Mission in Sierra Leone helped create a Family Support Unit within the police department that included female police officers. This more compassionate environment for victims resulted in an increase in reports on sexual violence, 90 percent of which came from women and girls.[30]

Citizen security can be addressed at both local and national levels. At the local level, involving communities and the private sector can improve the relations between the state and its citizens and thereby help prevent violence and conflict. Effective interventions include the following:

- Community policing works by reducing crime through community partnership. Working with community members, it identifies, responds to, and solves crimes and other problems that affect the community.[31] Neighborhood policing is similar to community policing. It aims to provide a visible police force that is citizen focused and accountable to community members, expressing local solidarity, in order to meet a community's needs. For instance, community policing in Kosovo brought together residents, municipal governments, and security providers to agree upon specific "community safety plans." Easier and less sensitive security problems such as traffic violations were tackled first to allow for quick wins. Harder security concerns such as recovery and removal of illicit weapons were addressed once confidence was built in the process. Interviews with residents show tangible progress in reduction of minor security breaches, as well as improved community-police relations and perceptions of security.[32] Similarly, in the municipality of Hatillo in Costa Rica has applied community policing, involving community members in action plans for public safety. One year after implementation, the program's impact on delinquency was not significant, but the feeling of insecurity decreased from 36 percent of community members to 19 percent, and public perceptions of the police improved.[33]

- The private sector can support municipal governments and civil society in local crime and violence prevention initiatives. The police pacification units in Rio de Janeiro, Brazil, were started in late 2008 to replace coercive, short-term interventions in *favelas* with a long-term police presence and social services. The aim is to ensure the consolidation of territorial control and peace in the areas of intervention through the promotion of citizenship and development, fully integrating these areas into the larger city. The private sector helps finance the initiative, thus contributing to social and economic development in the pacified favelas.[34]

- Communities have prevented and responded to gender-based violence. The European Union (EU) military operation in the Democratic Republic of Congo collaborated with local women's organizations, which provided information on whom to contact regarding psychosocial, medical, and legal support whenever EU forces came across cases of sexual violence. The UN Mission there also organized villagers to establish a community alarm scheme to warn against intruding forces committing violent acts, often against women.[35]

It can be helpful to maintain long-established, functioning practices to help address policing and public security, even if these are not very "technical" solutions. In Haiti, Prime Minister Jean-Max Bellerive noted that the country needs a modernized force with advanced technical equipment for large urban areas, which face sophisticated and highly violent networks of gangs and organized crime. In rural areas, however, the traditional rural police force operated effectively in resolving small land and property disputes. Establishing a force with sophisticated technical equipment and a mission more suited to urban areas "should not make the police feel that it is no longer their job to walk up the hill and resolve a property or family dispute before it escalates into violence."[36]

Making security reform a top priority does not mean fully comprehensive reform and modernization across all aspects of these systems. Basic reforms that improve citizen security, and that prevent outright capture of the system, can enable reforms to move forward in other political and economic areas, allowing more gradual comprehensive reform and professionalization. Haiti's police force provides an example of progress in basic functions and state-society trust in the security institutions from a very fragile start (box 5.5).

BOX 5.5 *Reform of the Haiti police force, even in difficult circumstances*

Types of violence: Widespread crime and gang-related violence, militia activity, organized crime, drug trafficking	
Transition moments: Major space for change, new national and police leadership, significant external support	**Key stakeholders:** Government, citizens, international partners, police
Key stresses: Legacy of violence and mistrust, drug trafficking and organized crime activities, low incomes, youth unemployment, corruption	**Institutional challenges:** Weak political, judicial, and security institutions; lack of accountability; low trust in security forces

The transformation of the Haiti National Police from the least to the most trusted institution of the state over five years can be attributed to a reform plan of internal and external actors. Reform was viewed not only as an internal technical activity, but first and foremost as a political process requiring the buy-in of Haiti's leaders. Their political support ensured that financial resources were allocated to pay salaries and support day-to-day police operations. Another external factor was that the UN Stabilization Mission in Haiti (MINUSTAH), through its military and police presence, contributed to internal security, allowing space for a thorough police training program.

With these critical external factors in place, the Haiti National Police (HNP), supported by MINUSTAH, professionalized the force, raised the morale of its officers, and boosted public confidence. It implemented procedures to vet existing officers and recruit new ones. Including women in the police force was given a priority by both the government and police leadership. A strengthened internal affairs unit acted decisively in cases of wrongdoing, reinforcing the value of and need for officer integrity. A seven-month initial recruit training program (rather than the typical two to three weeks often seen in post-conflict environments) was implemented alongside other specialized training programs. Each officer was properly equipped to undertake his or her policing functions and received regular salary payments. The police uniform, closely associated with the corruption and human rights abuses of the past, was changed—both to prevent former officers from using their uniforms for illegal activities and, more important, as a public symbol of the change in the police force. The HNP also strengthened its management, delegated more authority to the field, and enhanced its administrative and support functions.

Haiti's population has recognized the changes in the HNP: asked in 2009 whether they had seen a change in police work over the past year, 72 percent reported a positive change, and 83 percent reported that the security situation in the country was either "a lot" or at least "a little" better than in the year prior. Tested by floods, hurricanes, earthquakes, and nationwide food riots, the service on each occasion has performed credibly. Immediately after the earthquake and aftermath of January 12, 2010, the police was the only arm of government seen to be functioning in the streets of Haiti.

Source: UNDPKO 2010a.

Justice

Criminal justice functions and dispute resolution

Experience has shown that coordination across justice agencies is critical to reduce impunity, and that effective linkages must exist between the police and other justice institutions, including the judiciary, public prosecutors, and prisons, to address crime and violence.[37] While the police force in Haiti post-2004 made impressive strides (see box 5.5), advances in the courts and prison system did not match the police force's increase in capacity and legitimacy, so offenders were often released back into communities without due process and continued to engage in illegal activities. By contrast, the rule-of-law reforms introduced by the Regional Assistance Mission to the Solomon Islands (RAMSI) focused in parallel on police reforms, further developing a court system that

once had a good reputation and refurbishing the country's prisons.[38] In middle-income country contexts such as the transitions from military rule in Chile and Argentina, where accountability posed greater constraints than capacity, reform of security and justice services proceeded at a more or less similar pace and were mutually reinforcing (some early changes, some more gradual).[39] Conversely, as noted in chapter 3, in Colombia capacity increases in the military and police were not matched by similar increases in resourcing and capacity within the courts, constraining overall progress.[40]

Vetting of personnel, discussed above in connection with the security forces, can also be crucial for judges and prosecutors. In Bosnia and Herzegovina, three High Judicial and Prosecutorial Councils (HJPC), made up of international and national personnel, restructured the court system and reappointed all judges and prosecutors between 2002 and 2004. Almost 1,000 posts were declared vacant, and there was open competition to fill them.[41] Indirect mechanisms have also been used to improve professionalism in the justice sectors. In Chile following the transition to military rule, rapid action on civilian oversight of the Carabinieri was combined with a reform to the promotion and confirmation processes of judges, which encouraged lower-level prosecutorial independence and merit-based promotion to higher courts.[42]

In terms of capacity-building, a focus on basic administrative functions, replacing of obsolete procedures, and targeting of improvements in caseload processing have tended to deliver better results than grand legal and judicial reform plans.[43] Governments and donors have often tended to sacrifice this pragmatism in approaches to reform justice systems, favoring redrafting legal codes over the administration of essential justice and basic institution-building (as in Afghanistan after 2001 and Iraq after 2003).[44] Provision of local-level justice services is important to maintain confidence in institutional reform efforts, and partnering with communities or civil society to do so can be an important link between early results and later institution-building. In Latin America, innovative local courts have been effective in bringing justice to the population (box 5.6).

Other approaches to increase access to justice that have shown positive results in areas underserved by the formal system are mobile courts and the use of paralegals. In Nicaragua in the early 2000s, mobile courts and community-based paralegals were credited with a 10 percent reduction in crime where the scheme operated.[45] The approach by Timap for Justice, a not-for-profit organization offering free justice services in sites across Sierra Leone, has also demonstrated important results. Paralegals backstopped by lawyers have assisted communities to address disputes and grievances since 2003. Qualitative research has shown that Timap's interventions have empowered clients (especially women) to claim their rights. Community perceptions of institutional fairness and accountability of the police, traditional leaders, and courts also improved as a result of Timap's work.[46] Building on Timap, donors and the government of Sierra Leone joined with nongovernmental organizations and community-based groups in 2010 to develop a national approach to justice services, including a front line of community paralegals and a smaller core of supporting lawyers.

Access to justice (and services) is often denied to those who are not registered, and registration initiatives can be an important form of recognition of citizenship and community identity for marginalized groups.[47] Organizations like the Community of Sant'Egidio, through its BRAVO (Birth Registration for All versus Oblivion) program,[48] the International Committee of the Red Cross, United Nations Children's Fund (UNICEF), and United Nations High Commissioner for Refugees (UNHCR), as well as nongovernmental organizations, have supported national authorities in registering births in difficult contexts. Effective tools include putting specific provisions in peace agreements for birth registration and proper identification, utilizing community "reporters" such as midwives through mobile registration programs, and combining birth regis-

BOX 5.6 *Innovative court solutions in Latin America*

Twenty-four-hour courts—arraignment courts that hear complaints and review fresh evidence—show how criminal cases can be expedited. One example is the 24-hour court that was established in 2005 by the Supreme Court of Guatemala. This is an interinstitutional effort, with not only the judiciary, but also the Public Ministry, the Ministry of Government, the National Civil Police, and Public Defense Institute participating. Apart from operating 24 hours a day, 365 days a year, the 24-hour court availability has facilitated compliance by the police with the due process requirement of presenting detainees to a court within a six-hour limit. Over the first three years of the court's operation, the number of cases it dismissed declined from 77 percent to under 15 percent. Nearly 50 percent of all arraignments ended in alternatives to detention, such as bail, house arrest, weekly presentations at the local court, or restrictions on travel. Drug consumption cases fell from over 30 percent to about 7 percent. And the courts made greater use of alternatives to trial.

In flagrante delicto courts were established in Costa Rica in 2008 on a pilot basis in San José to reduce criminal case disposition times. They were set up within the existing legal framework, with no need for further legal reforms. Their purpose is to ensure due process guarantees in simplified procedures to handle cases where the defendant is caught in the act of committing of a crime (that is, *in flagrante delicto*). These courts remain open 24 hours a day, 365 days a year and operate with several shifts of judges, prosecutors, and public defenders. The cases are turned over immediately to the prosecutors, who may request an immediate hearing with the judge to analyze alternative mechanisms, such as summary judgment or preventive detention. When the defendant and the public defender choose an expedited trial, it can take place immediately or be set in a few days.

In Colombia, ***Justice Houses***—integrated, multi-agency service centers—are used to solve conflicts. These Justice Houses, first designed and implemented by USAID (the United States Agency for International Development) in 1995, have assisted over 7.8 million citizens since inception, mainly from low-income communities. There are now 50 well-staffed facilities throughout the country in urban and rural areas, some of which are regional in nature. Given their success in reducing local conflict and preserving peace, plans include the construction of 10 new Regional Justice Houses in partnership with the Ministry of Interior and Justice. Other social services include *Peace Centers,* which are expanded versions of Justice Houses where the community has access to programs that promote citizenship values, peaceful coexistence, and amicable solution of conflicts. The first Peace Center opened in December 2002 in Barrancabermeja, one of the most violent areas in Colombia, and there are now 15 throughout Colombia.

Sources: World Bank 2010i; USAID Guatemala 2008; USAID 2009b.

tration with the provision of complementary services such as immunization.[49]

Supplementing formal justice with traditional community systems can be another best-fit. Deep and comprehensive judicial reforms can rarely be achieved in the short or medium term. One challenge of justice reform, then, is to create bridges between the formal and informal systems in the early stages of transitions. Traditional systems all over the world settle disputes over land, property, and family issues. As many as 80 percent of the people in today's fragile states relies on nonstate actors for various forms of security and justice.[50] For instance, in Kenya—where land is frequently a source of private and communal disputes, even when and sometimes because it is titled—traditional institutions are widely held to be more reliable in resolving conflict than the state.[51] In Mali in recent years, combinations of local traditional institutions and the state have settled land disputes, with community groups adjudicating between contestants, and all parties then recording the judgment at the local prefecture.[52] Informal women's courts can also supplement formal structures, generally convened by civil society to allow women to recount abuses. Women's courts have been used in Guatemala for abuses during the civil war, in Palestinian refugee camps in Lebanon for rapes during the 1982 Sabra and Shatila

massacres, and in Japan around issues of World War II "comfort women."[53]

The lesson here appears to be to use a process of recognition and reform to draw on the capacities of traditional community structures and to "pull" them gradually in the direction of respect for equity and international norms. One such example is Timor-Leste's blending traditional customary law provisions into the formal legal system. In Timor-Leste after independence, a de facto hybrid system emerged, where local justice mechanisms continued to function in parallel to the formal legal system. The main reasons for confidence in the traditional system were that it resolved conflicts according to cultural norms and heritage (51 percent of survey respondents) and was less expensive and more effective than the formal justice system (38 percent of survey respondents).[54] As the formal justice system gained capacity, rather than attempting to entirely displace this informal system, the government in 2009 began a nationwide public consultation on the legal recognition of customary law processes, as envisioned under the constitution. Customary penalties, such as financial compensation, are being incorporated into the formal legal code. The process has also involved a debate on the tensions between formal and customary approaches applied to such crimes as rape.[55]

Corruption

Justice is also concerned with ensuring equitable access of citizens to the state's resources, that is, it is concerned with corruption. In Georgia, the Saakashvili government that was swept up to power by the Rose Revolution of 2003 cracked down on corruption in the public sector after 2003 by better disclosing public officials' assets, strengthening whistleblower protections, and improving public financial control and procurement measures. In addition, it criminalized active and passive bribery, enforced its criminal legislation and created the Anti-Corruption Interagency Council, tasked with developing and implementing a new national anti-corruption strategy. Three years later, Georgia ranked as a top anti-corruption reformer on several global actionable governance indicators, such that 78 percent of Georgians felt that corruption had decreased in the last three years, the best result among the 86 countries surveyed.[56]

Private and international capacity can supplement state systems in applying best-fit approaches to fight corruption in fragile situations. Liberia recognized it lacked the capacity to properly oversee its national forestry industry in the post-conflict period and turned to nonstate capacity to ensure revenue recovery from logging (under former president Charles Taylor, less than 15 percent of taxes owed from forestry revenue were collected) and to safeguard against money from sale of illegal wood being laundered through the legal supply chain. The government contracted a private inspection company to build and operate a system to track all timber from point of harvest through transport to sale, with an agreement to transfer the system back to the government after seven years. The system ensures the government collects all revenues because it will not issue an export permit until the Central Bank confirms that all taxes have been paid.[57] Similarly, both Indonesia and Mozambique have used private sector customs collection agencies to help increase efficiency in an area that is always highly vulnerable to corruption.[58]

Transparency of budget and expenditure information is an easy change to put in place early on, and can be crucial to stem illegal flows of funds into violent activities. For example, Timor-Leste's Petroleum Law, which came into effect in 2005, was established very early in the transition to independence. It establishes a high degree of transparency over funds and recommends that the government only withdraw amounts up to what is needed to maintain the capital value of the country's oil assets.[59] The framework for petroleum revenues has remained robust and protected national assets, even during a bout of renewed insecurity in 2005–06, and is supplemented by open reporting to parliament and the public on expenditures in each ministry, including the security sectors.

Local community and civil society organizations can also combat corruption. "Social accountability" approaches draw on the incentives for citizens and communities to monitor the expenditures most directly affecting their welfare. These tools include citizen report cards, community scorecards, participatory public budgeting, and public expenditure tracking surveys, as well as community-driven development approaches where expenditures are publicized transparently at the local level. In fragile situations, such social accountability tools can contribute to building citizens' trust in the state at the national and local levels.[60] The results can be significant. In the Kecamatan Development Program in Aceh, Indonesia, 88 percent of the population surveyed believed that the program funds had been properly administered and spent on what they considered most important.[61] In Madagascar, community monitoring in the health sector (via community scorecards) led to a 10 percentage point increase in consumer satisfaction with health services (from 39 percent to 49 percent) in as little as four months. Scorecards also helped improve the regularity of salary payments and interactions between users, health staff, and village administrators.[62]

Determined reformers, supported by equally determined international partners, can achieve important gains in public accountability and transparency, even in difficult circumstances (box 5.7). In 2002 the Palestinian Authority embarked on a reform of its public financial management system and in less than two years achieved several notable improvements. All revenue payments were centralized into the central treasury account, eliminating previous discretionary and non-transparent spending by line ministries. The Department of Supplies and Tenders in the Ministry of Finance assumed full jurisdiction over all purchases (above the threshold value of US$15,000) by ministries and agencies, including the Security Financial Administration. Salary payments to security personnel were made directly into their bank accounts instead of the previous cash handouts. And the previous large discretionary transfer appropriation for the president's office was virtually eliminated, with these funds instead transferred to service ministries (Health, Education, and Social Affairs).[63]

Private sector enterprises can also establish their own pragmatic, best-fit procedures to deal with the risk of corruption, even in weak institutional contexts (box 5.7).

Jobs

Private sector recovery

Alleviating key bottlenecks identified by the private sector can help to restore confidence by signaling to entrepreneurs a more business-friendly environment generating economic revival and setting the stage for broader reform. An early emphasis on simplification of business regulations—rather than expansion or refinement—has proved effective. In Bosnia and Herzegovina, the "Bulldozer Initiative" of 2002, and subsequent "guillotine" initiatives by the entity governments, mobilized the local business community to lobby for the elimination of significant bureaucratic impediments to private sector growth. The Bulldozer Initiative delivered 50 reforms aimed at eliminating excessive bureaucratic steps in 150 days, improving the investment climate.[64] Selective legal amendments that permitted freer trade and simplified inward investment have also produced early successes. Similarly, in 2001, as part of a strategy for private sector–led development, Rwanda overhauled its contract enforcement regime, long an impediment to investment. Domestic business registrations increased at 10 percent a year from 2001 to 2004, driving formal sector growth of 6 to 7 percent in 2003 and 2004.[65]

In violent situations, where business confidence is very low, however, creating the right environment for businesses is often not enough to attract investment; more direct intervention is needed for the private sector to play its catalytic role. One approach is to support value chains.[66] Links between producers, traders, and consumers can unravel with violence, eroding trust between social groups.

REFLECTIONS FROM ADVISORY COUNCIL MEMBERS: *2011 WORLD DEVELOPMENT REPORT*

BOX 5.7 *Experiences in countering corruption*

Flexible and robust mechanisms for combating corruption in the private sector

Mo Ibrahim, Founder, Mo Ibrahim Foundation; Founder, Celtel; *WDR Advisory Council Member*

When I founded Celtel in 1998 to build and operate mobile phone networks across Sub-Saharan Africa, well-meaning friends, shaking their heads in disbelief, told me two things: You will not succeed because there is no potential market for this new technology in this poor continent and you must be prepared to bribe every decision maker, at every level.

Well, Celtel was indeed a tremendous success. Africa proved to be the fastest growing continent for mobile phones. As for corruption, I did two simple things. First, I established a powerful and prominent company board. Then we decreed that any payment, initially above US$30,000, must be board approved.

This decision proved to be crucial to enforce the anti-bribery stand of the company and provided our managers on the ground with invaluable protection and cover. It indeed enhanced financial discipline throughout the operations. The wonderful support of our board members and their commitment to respond quickly to any unpredictable funding requirements was crucial. In fairness to African officials, the number of incidents where our people came under pressure to pay was far less than we had expected. On the three occasions we did resort to legal action in local courts, we won every single case. The valuable lesson I learnt was that corporate governance pays and it enhances your bottom line. It is not enough for company boards to make grand statements on corruption. Until and unless they put in place the policies that enforce and support their managers on the ground, their pronouncements will remain an empty attempt at discharging their fiduciary duties.

Making anti-corruption institutions effective in Rwanda after the genocide

H.E. Paul Kagame, President of Rwanda; *WDR Advisory Council Member*

In the early post-genocide period, Rwanda's recovery efforts were focused on stabilization, restoring security, fostering social trust, and rebuilding and reforming political institutions, as well as laying the foundations for economic recovery and growth. Three years after the genocide and civil war, work on institution-building to restore virtue and fight corruption began in earnest. Such efforts included the creation of the Rwanda Revenue Authority, Ombudsman's Office, Auditor General's Office, National Public Prosecution Authority, National Police and the Rwanda Public Procurement Authority, among others. These were complemented by legislative measures such as the Organic Law on the Leadership Code of Conduct, all of which were in place prior to the development of long-term economic strategies, thus ensuring that our fragile economic development was not wasted away through theft and greed.

A vital lesson drawn from our experience is that institution-building and appropriate laws are imperative. Nonetheless, making institutions and laws work effectively is often more difficult. In our context, the commitment to fight corruption was an important priority for the incoming Government in July 1994. A zero-tolerance policy resulted in the resignation or dismissal of holders of public office, among others, including some members of the Government of National Unity. Action was taken in this respect, by Parliament and the Executive, to enforce the notion of political accountability at a critical moment in our history and has nurtured increasingly effective governance institutions. This has been reinforced by a continued policy of consistently prosecuting corrupt officials. Upon reflection, it is clear that action against high-level officials, demonstrating that no one is untouchable, was critical. A continued strong public support for the anti-corruption effort was and is still of utmost importance, as this remains a work in progress.

Restoring these connections by bringing together market actors and providing information about market trends can create jobs and rebuild social cohesion.[67] It also provides local businesses with legitimate new market connections as an alternative to illegal activities, as with the Kosovo dairy and Rwandan coffee sectors (box 5.8). An approach that is promising for new market development, even in fragile environments, is matching grants for new market development that exploit the private sector's capacity to innovate and help entrepreneurs develop new product lines while sharing the risk of investment.[68]

Investment in basic infrastructure

Domestic and international investors need basic infrastructure. Electricity emerges as a key constraint to recovery efforts by the

BOX 5.8 *Value chain development in Kosovo and Rwanda*

Kosovo

Types of violence: Civil conflict; ethnic violence; political, criminal, and gang-related violence	
Transition moment: Large space for change, declaration of statehood, national and municipal elections, new constitution	**Key stakeholders:** Farmers, private sector, ethnic groups, municipal and national government, Serbian government, regional and international partners
Key stresses: Unemployment, legacies of violence and trauma, corruption, ethnic divisions, trafficking, unemployment, low incomes	**Institutional challenges:** Accountability and capacity constraints in public and private institutions, destroyed infrastructure, legacy of exclusion

Dairy is a traditional consumer product in Kosovo. In the 1990s, the command production system broke down and cooperatives dissolved. Many families became self-sufficient units, producing to meet their own consumption needs and trading surplus for other goods and services. The conflict of 1998–99 destroyed much of the production base, damaged infrastructure, displaced people, widened ethnic divisions, and eroded Kosovars' trust in each other and their government. Shortly after agricultural production and economic activity resumed in Kosovo, donors began working with value chain participants to upgrade the dairy industry. Value chain implementers worked first with individual farmers to make no- or low-cost changes to improve yields and quality, then expanded their reach by working with larger groups and associations. Thereafter, they steered farmers toward commercial channels, helping them further upgrade their processes to improve productivity and quality and to rebuild links with processors. In parallel, they worked with processors to orient them to end markets and, based on demand, to upgrade their processes and products to improve quality, expand production, and increase market share. By working from the micro to the macro as Kosovo moved from relief to development, donors and implementers supported upgrading and sustained growth in the dairy sector. In just over three years, for example, the Kosovo Dairy Value Chain project boosted domestic sales by €36 million and added 624 new jobs following an investment of €3.9 million. The impact on social cohesion is unclear. While a dairy board was set up that explicitly included both ethnic Albanians and Serbs, there was no evidence as to whether the board had a direct impact on participation of different ethnic groups or increased cooperation between ethnic groups.

Rwanda

Types of violence: Genocide; political, communal, and cross-border	
Transition opportunity: Large space for change post-genocide	**Key stakeholders:** Smallholder farmers, private sector, government, international partners
Key stresses: Intercommunal tension and ethnic divides, continuing security threat—mistrust/fear, trauma and legacy of abuse, return of refugees and IDPs (internally displaced persons)	**Institutional challenges:** Severe accountability and capacity constraints in judicial, security, and political institutions—public and private; legacies of communal suspicion and violence

Coffee, grown mostly by subsistence farmers, has long been an important source of income in rural areas and foreign exchange for the Rwandan economy. But the war and genocide of 1994 had a devastating effect on the coffee sector due to loss of life and the destruction or neglect of coffee trees. By 1996, coffee production was only about half the 1993 level. Between 2002 and 2006, the USAID (United States Agency for International Development)-funded US$5 million Agribusiness Development Assistance to Rwanda project boosted export-ready coffee production and created several thousand seasonal jobs.

Traditionally, farmers depulped and washed their cherries by hand before selling them to traditional exporters of semiwashed coffee. Modern stations now encourage farmers to sell them unwashed cherries, since they can process them more efficiently with modern equipment. By selling directly to the station rather than through intermediaries, the farmers are paid more per pound while avoiding the tedious hand labor.

The result has been tremendous. Between 2000 and 2006, the country went from producing 18 tons of fully washed coffee to 940 tons. There is also some evidence that greater economic security among participants in the coffee value chain is also linked to lower ethnic distance, lower distrust toward other ethnic groups, and a tendency toward conditional forgiveness.

Sources: USAID Rwanda 2006; Boudreaux 2010; Grygiel 2007; Parker 2008; Chuhan-Pole 2010.

private sector in fragile environments—but comprehensive reform of the electricity sector is made difficult by insecurity. Based on the World Bank Group's Enterprise Surveys, the number one business environment constraint faced by firms working in conflict areas is lack of electricity.[69] A state-of-the-art electrical grid typically has fewer generators (because of the economies of scale to generation, bigger is better) that are located far from consumers (since fuel sources—coal, natural gas, hydro—can be expensive to move). That design assumes away violent conflict: the technically perfect design is particularly susceptible to disruption, takes a long time to build, and is difficult to defend. Restoration of electricity in Lebanon demonstrates both the positives and the negatives of a best-fit approach to reform and institution-building in the electricity sector, which is also critical to private sector job creation. An alternative best-fit system gave nearly all households access to power, but at higher costs in the long term (box 5.9).

BOX 5.9 *Technically less than perfect, but robust to circumstances: Best-fit electricity provision in Lebanon*

Types of violence: Civil war, sectarian violence	
Transition opportunity: Space for rapid reconstruction and confidence building, but continued instability and threat of violence	**Key stakeholders:** Citizens, government, private sector, sectarian interests, governments of neighboring countries, international partners
Key stresses: Corruption, sectarian competition, legacies of violence, cross-border conflict spillovers, regional political involvement	**Institutional challenges:** Weak institutional capacity for public service provision, tenuous inclusion arrangements

By the time the Ta'if Accord (1989) put an end to civil war (1975–90), Lebanon was marked by widespread destruction of infrastructure and a climate of instability. At the time, little public confidence existed in the state and its institutions to deliver basic services. The electricity sector had suffered heavily during the war from extensive destruction and the significant reduction of payment collections. Despite this, most Lebanese people still benefited from some access to electricity during the war and in the initial stages of recovery—and continued to do so in subsequent periods of instability.

Already during the war, the bulk of electricity was provided by the private sector in the absence of a functioning public sector. A mix of individual and collectively owned electricity generators, run by a few formal and many informal private businesses, became an established part of the utility market. The ability of the private sector to fill the void left by a flawed public service owed much to an open and unregulated economy—and a strong culture of entrepreneurship.

Even after the end of the civil war, the private sector remained a critical energy supplier. Privately sold generators continued to supply electricity (primarily during blackouts) to both households and businesses and often covered whole neighborhoods. By 1994, for example, 98 percent of businesses and 95 percent of households were estimated to have received round-the-clock electricity, with a signification portion from private sources.

Although small-scale private capacity filled a void left by a lack of public sector engagement, the small, unregulated, and private provision of electricity has serious economic and environmental drawbacks as a long-term system. Private generation costs Lebanese households nearly twice as much as public generation. And the public electricity sector has yet to be reformed. State subsidies to the sector in 2007 were estimated to have reached 4 percent of the country's GDP. Lebanon's electricity sector thus illustrates the benefits of best-fit approaches during periods of crisis, but also the need to exit them over time to prevent long-term inefficiencies.

Given the electricity crisis during reconstruction efforts in Iraq, the question arises as to whether a best-fit, short-term solution could have been found. Iraq opted to rebuild its national electricity grid, but lack of progress in such a massive undertaking has left the proportion of unmet demand for electricity largely constant since 2003, at 40–50 percent. Did the political, economic, and security context in Iraq create an enabling environment for a private sector–led solution? In 2003–04, several Lebanese companies started establishing secondary neighborhood grids in Baghdad, supplied by small, private electricity generation. The Government of Iraq also considered policies to promote small, private generation in 2005, recognizing its own lack of capacity to meet demand in the short term. However, the deepening security crisis in Baghdad, including active campaigns to target small private power suppliers, preempted this approach. In comparison to Lebanon, Iraq's weaker tradition of private entrepreneurship and record of effective public service delivery into the 1990s may be additional reasons for the lack of emergence of privately generated electricity in the past decade.

Sources: World Bank 2008f, 2009d; Republic of Lebanon Ministry of Environment 1999; UN Inter-Agency Information and Analysis Unit 2010.

Road rehabilitation is another infrastructure investment critical to both private sector recovery and employment generation. It can aid both directly, by using local contractors and applying labor-intensive methods, and indirectly, by facilitating access to markets. For instance, in Afghanistan, the Salang tunnel—the only pass connecting Kabul to northern Afghanistan that is in use throughout the year—was reopened for traffic within weeks of the 2001 Bonn agreement after a four-year blockage, cutting travel time from 72 hours to 10.[70] In the Democratic Republic of Congo, the construction of a bridge linking two cities, Kikwit and Tshikapa, had similar effects. Travel time was cut to a few hours, as opposed to the previous five days, lowering the prices for food, fuel, and most other commodities imported to the diamond city of Tshikapa from the agricultural zones of Kikwit and surrounding cities.[71]

Public finance for employment and other "best-fit" approaches

Regulatory reform and infrastructure investments often take time to deliver jobs, however. Governments aiming to generate employment in insecure areas may need to provide an initial "bridge."[72] A 2009 World Bank review of labor-intensive programs in 43 low- and middle-income countries in the past 20 years finds that well-administered programs can have a substantial impact on the welfare and nutrition of poor beneficiaries, and that it is feasible to operate such programs on a large scale—as with Ethiopia's Productive Safety Net Programme (7 million beneficiaries in 2006) and India's National Rural Employment Guarantee Act.[73] Labor-intensive programs in fragile and violent settings can be a quick win for stabilizing a high-risk situation; examples include sporadic employment initiatives in the Gaza Strip since the 1990s and the Liberian Emergency Employment Plan, which created 90,000 jobs within two years.[74] Afghanistan's National Emergency Employment Program, now known as the National Rural Access Program, was expanded across the country after early successes and has generated 12.4 million labor days building or rehabilitating more than 10,000 kilometers of roads through 2010 in all of Afghanistan's 34 provinces.[75]

But labor-intensive public works are rarely sustained in fragile situations. These programs commonly are donor financed, and donors prefer short durations, between two and three years. Alternatives to short-term interventions could be labor-intensive public works programs in rural areas that are seasonal or vary in intensity between the seasons, to complement employment in agriculture (and that could be integrated into community-driven development programs; see chapter 4), or programs that are linked to a longer-term national strategy, such as the Feeder Roads Program in Mozambique, in operation since 1981, and India's long-term National Rural Employment Guarantee scheme.[76] For public works programs to be successful, evidence suggests that it is important to have clear objectives (for instance, aimed at addressing one-time shocks or poverty), to select projects that can create valuable public goods, and to ensure predictable funding.[77]

Providing (short-term) jobs needs to be complemented by enhancing skills and employability. Low skill levels—especially of young people like former gang members and combatants—constrain their opportunities for sustainable employment. International experience has shown that traditional vocational training programs without clear links to the labor market, though frequently implemented, are ineffective.[78] A more promising intervention is traditional apprenticeship programs and programs that include work placement opportunities.[79]

For those who did not complete primary education, second-chance programs (such as education equivalency or life skills training) are an important stepping stone to further education, training, and employment opportunities. Second-chance programs can have a positive impact on at-risk youth, both directly (which increases their chances of acquiring employment and receiving higher wages) and indirectly (by providing them with information and skills to make good decisions,

giving them better prospects for a successful life, and consequently reducing their chances of engaging in risky behavior).[80] Conditional cash transfers could be linked to programs that focus on preparing both offenders and communities for offenders' reintegration, through technical and life skills training and links to employment opportunities,[81] such as YouthBuild International, which is active in over a dozen countries and supports youth for a period of up to 24 months.[82]

Support to agriculture in violence-affected countries is also essential. Together with the informal sector, agriculture is the most likely source of jobs in many conflict-affected situations.[83] Even in a relatively advanced economy, such as Bosnia and Herzegovina, informal employment is estimated to account for more than one-third of total employment,[84] and agriculture is an important income provider. There, for example, self-employment in agriculture was successfully supported for many demobilized soldiers who chose to reintegrate in rural areas and engage in small-scale farming. They received livestock and equipment (with a minimum holding period to ensure that they would not be sold on the market) and counseling, which enabled them to reestablish their livelihoods.[85] A wide range of activities can support this sector, including strengthening agricultural services, providing local extension programs that combine input supply with training on basic business skills, restoring rural roads, improving the agribusiness-enabling environment, improving land and water management, and organizing farmers into associations to connect them to commodity buyers and agricultural credit.

Supporting self-employment is another best-fit approach to creating jobs and generating incomes.[86] The main constraints to self-employment include the lack of market-creating infrastructure that brings trade into rural areas, lack of electricity that allows the use of higher productivity technology, lack of formal marketplaces and workplaces, high local taxes and fees, lack of access to informal savings and financial services (which could be alleviated by the use of mobile financial services such as M-Paisa in Afghanistan),[87] and lack of appropriate training (which needs to be designed for those with limited education and also stress basic skills such as literacy and numeracy). In order to be effective and avoid indebting poor households, self-employment assistance programs need to address all these constraints and not be limited to providing financial assistance.[88] Despite the popularity of self-employment programs in fragile and stable settings, evidence is scarce, however. The evidence (for middle-income countries) shows that self-employment programs can significantly increase the probability of young participants finding jobs, at least in the short term. But the cost-effectiveness and the longer-term effects still need to be proven.[89]

Asset expansion programs have also helped in some successful transitions from violence—such as land reform in the Republic of Korea and Japan,[90] and housing programs in Singapore (see box 5.2). Land reform contributed to post-conflict stability in those countries and, when combined with policies that favored agricultural growth and exports, set the stage for high rates of economic growth in succeeding decades. These positive experiences have proved difficult to replicate though, due to political resistance and institutional capacity weaknesses.[91] A different type of program to help violence-affected communities reestablish livelihoods and restore lost assets is, very simply, transferring funds directly to citizens to support their recovery. This may be done by government transfers, as with transitional payments to demobilized ex-combatants in Angola, Mozambique, and Rwanda—or Timor-Leste's cash payments to internally displaced people and veterans. Such programs can provide a sense of justice for populations previously excluded from state attention. There is a common perception that corruption or leakage is more likely in a cash transfer program, but years of practice have highlighted proven safeguards to reduce leakage.[92]

Temporary labor migration to neighboring countries or farther abroad can provide job opportunities for skilled and unskilled labor-

ers from fragile or conflict-affected countries and requires few reform elements. Successful examples include the Russia Federation's aid for the post-conflict Tajik regime,[93] and the various migration streams for Pacific Islanders especially to Australia and New Zealand.[94] Such measures include fixed annual migration quotas, temporary seasonal employment, skilled and professional workers provisions, and education scholarships. Labor migration can diffuse some of the pressures on the labor market and generate remittances that can be used for social and economic expenditures like schooling or business start-up capital. Well-designed bilateral schemes can thus deliver important economic gains but also mitigate the economic and social costs for sending and receiving countries.[95]

Economic empowerment of women

Involving women in economic initiatives can generate jobs and income and lay the basis for longer-term empowerment, as well as enable them to contribute to the recovery of their communities. Women can be actors in violence; for instance, in El Salvador and Eritrea, nearly a third of the combatants were women.[96] But far more often, violence uproots women's lives and livelihoods, as chapter 1 described. Aiding women to recover socially and economically from violence not only benefits the women themselves, but also their families and communities. For example, in El Salvador, involving former women guerrillas in land reform led to the inclusion of both men and women as beneficiaries, ensuring that grievances on these issues would not later affect the post-conflict settlement.[97] A different example of economic empowerment, from Nepal, demonstrates how well thought out projects can produce small but significant social shifts within just a few years (box 5.10).

Engaging women in economic activities in fragile and post-conflict countries is not, however, without challenges. Women face limited mobility and physical access to markets, incomplete access to market information, and restricted access to credit and other

BOX 5.10 *Economic empowerment of women: Women's Empowerment Program in Nepal*

Types of violence: Civil conflict, interethnic and political violence, criminal violence, trafficking	
Transition opportunities: Modest space for change: "palace killings" and stepped-up Maoist campaign in 2001	**Key stakeholders:** Federal and local government, civil society groups, marginalized ethnic groups, international partners, regional neighbors
Key stresses: Legacies of violence and trauma: social, political, and economic inequality; youth unemployment; corruption; human rights abuses; rising expectations of formerly unrepresented groups	**Institutional challenges:** Feudal structures and associated exclusion; accountability and capacity constraints in public administration, security, judicial, and political institutions; lack of inclusion of women

Women in Nepal have suffered disproportionately from the decade-long civil war and the continued waves of political, criminal, and ethnically driven violence, including in the country's southern Tarai region. Women are among the poorest population groups; their traditional social and economic networks were severely affected and many became heads of households as a result of the conflict, and their educational attainment is significantly below that of men. In this context, empowerment of women is especially critical in engendering sustainable economic growth and human development, as well as signaling a break from the past.

The Women's Empowerment Program provided cost-effective training and support to 6,500 groups of 130,000 members in the Tarai from 1999 to 2001. Its impact on the lives of the participating women has been encouraging. Almost half of the women who participated in the program gained a level of literacy, and two-thirds of the women started a business since joining it, thus having an independent source of income for the first time. When 200 groups were asked how the program had changed their lives, they most frequently mentioned gaining self-confidence and an enlarged sphere of influence in the household, followed by learning to read and being accorded more rights.

Source: Ashe and Parrott 2001.

financial services, and they are also subject to restricting attitudes and systemic gender discrimination and exclusion through unfavorable legislation.[98] These obstacles are not insurmountable, however. Efforts as varied as promoting women's access to finance and helping financial institutions to bank on women entrepreneurs profitably (such as in Afghanistan), establishing baselines with a gender focus on helping the government formalize women's participation in national reconstruction efforts (for instance, in Liberia), promoting training and business mentoring opportunities that reach women entrepreneurs (in Iraq and Jordan), and using legal reform initiatives to ensure that existing gender-discriminatory legislation is revised and that new legislation provides a level playing field for women (as in the Democratic Republic of Congo) can be effective tools to make the gender balance less unfavorable to women.[99]

What to do systematically but gradually

Focusing on citizen security, justice, and jobs means that most other reforms will need to be sequenced and paced over time, including political reform, decentralization, privatization, and shifting attitudes toward marginalized groups. Systematically implementing these reforms requires a web of institutions (democratization, for example, requires many institutional checks and balances beyond elections) and changes in social attitudes. There are exceptions—where the exclusion of groups from democratic participation has been a clear, overriding source of grievance, as in South Africa, fairly rapid action on elections makes sense. But in most situations, systematic and gradual action appears to work best.

Elections are a means of institutional transformation, not its end

Elections without a substantial degree of cooperation among those wielding economic, political, or military influence at national and local levels are unlikely to succeed in their broader objectives. Initial transitions to multiparty elections have been shown to increase the short-term chances of conflict, even though countries with very robust democratic institutions lower their risks of violence in the long term.[100] Elite cooperation may require prior steps to build trust and confidence, such as those undertaken in South Africa.[101] In contrast, leaders lacking trust in "winner-take-all" scenarios may manipulate outcomes and protests, which can trigger serious violence—as in Iraq in 2005 and Kenya in 2007.[102] Holding elections before a reasonable degree of security has been achieved, and a non-coercive environment established for polling, makes little sense (box 5.11).

Where conditions of trust and security do not indicate that rapid elections will deliver increased legitimacy, other options exist. Approaches that build on traditional decision-making mechanisms (such as the Afghan Loya Jirga[103]) have been used to transition toward greater inclusiveness. National sovereign conferences in francophone Africa in the 1990s, which in most cases represented a cross-section of society, were effective for negotiating transitions from one-party autocratic rule to plural democratic regimes and provided a workable framework for a peaceful change of power.[104] Some nonelectoral structures, as in the case of the South African constitutional convention and transitional executive structures, have also provided for considerable accountability downward to the members of the groups represented, through debates within political parties and business and labor groupings. Using alternative options while the conditions are put in place for elections also allows time to build a culture of democratic practices (see box 5.11).

Devolution and decentralization can broaden power-sharing but are best approached step-by-step

Territorial devolution and decentralization of political, administrative, and economic pow-

REFLECTIONS FROM ADVISORY COUNCIL MEMBERS: *2011 WORLD DEVELOPMENT REPORT*

BOX 5.11 *Pacing institutional transformation*

Elections are not a panacea

Lakhdar Brahimi, former UN Special Representative of the Secretary General to Iraq and Afghanistan; *WDR Advisory Council Member*

It is ten years since the Report of the Panel on UN Peace Operations, which I had the great privilege to chair, was produced. The Report called for the exit of UN forces to be determined on the basis of a broad and carefully studied range of peacebuilding and institution-building requirements being met. We said that elections were not a panacea. I think there has been movement in the right direction over the past decade, but there still is some way to go to better understand how and when to conduct elections to the maximum benefit of a peace process.

Attention is needed to ensure that new democratic processes reinforce rather than undermine the fragile peace that has been achieved and promote institutional legitimacy and accountability. Institutions for political participation and checks and balances devised at the national and local level, by their very nature, can take many different forms, such as constituent assemblies, consultative conferences, and power sharing pacts. For example, the Afghan Loya Jirga drew its legitimacy from a traditional system of political exchange and decision making (although some Afghans and larger numbers of foreigners were critical of the participation of Members viewed by them as responsible for past abuses).

It is important not to confuse speed with haste in political processes: too hasty approaches can precipitate the opposite effect from the one we seek to support. The international community's high hopes for Iraq's 2005 experiment in proportional electoral democracy produced a contest for power that increased rather than allayed sectarian violence, and the constitution hastily produced later is proving almost impossible to implement. Similarly, the 2009 presidential election in Afghanistan proved to challenge rather than bolster perceptions of institutional legitimacy in the immediate aftermath.

The options are not mutually exclusive—there is great worldwide demand for more inclusive and responsive governance, and elections can be a crucial means to provide this. But their timing requires careful attention. Democratic traditions have developed in most countries over a considerable period. Democratization efforts today similarly require attention to historical heritages and existing political cleavages and must be seen as an ongoing process of social transformation and the development of a broad range of institutions that provide checks and balances rather than an identifiable "event." Democratization does not start or end with elections.

Building a culture of democracy

Nitin Desai, former UN Under Secretary General for Social and Economic Affairs; former Secretary and Chief Economic Adviser, Ministry of Finance, India; *WDR Advisory Council Member*

A constitution and elections are only the beginning of a functioning democracy. A lot depends on the emergence of working practices that respect the rights of the opposition and that set standards for political behavior that, in time become traditions. Even constitutional provisions like those for an independent election commission to supervise the electoral process require unwritten working practices for independence to become effective. That has been the experience of India, where the respect for parliamentary norms shown by Pandit Nehru and the early congress leaders set a standard that matters, not least when it is under threat. Thus, the leader of the opposition is treated with as much respect as the head of government and is entitled to public services that allow him or her to function effectively.

Traditions can be invented but are most effective when they are not codified, leaving some elasticity to accommodate changes in the balance of political power. These traditions come often from imitation of practices in old established democracies like the United Kingdom or the United States. How can one impart some knowledge of something that should remain unwritten? Perhaps by showing the parties to the post-conflict settlement the way in which democratic processes work in developing countries where they have stood the test of time, India being one big example. Maybe this is something that these young democracies can themselves contribute to the post-conflict effort.

ers also offer the potential to broaden power-sharing, but with caveats. Between 1946 and 2008, 49 countries experienced secessionist demands that resulted in violent conflict.[105] Fragile states that have resisted movements for autonomy or independence by force have often found themselves embroiled in costly wars, as Nigeria did with Biafra (1967–70); Sudan with its southern region (1955–1972,[106] 1983–2002); Pakistan with East Pakistan, which became Bangladesh (1971); and Myanmar with the Karen and Shan people and other ethnic groups (1948–today).[107] The argument in favor of greater decentralization of power (for example, through federalist structures that hand significant autonomy to local representatives) is that it can avert center-periphery ethnic conflict, or secession. For example, in Sierra Leone in 2010 the OECD reported that "decentralization and devolution are important peace-building and state building activities" and that "the decentralization process has gone a long way to redressing some of the fundamental flaws in Sierra Leone's original political structure."[108]

However, devolution and decentralization also carry risks. The OECD-DAC "Do No Harm" paper warns that donor support for devolution without sufficient analysis of political context or capacity constraints can cause serious problems if "political power at the center is highly fragmented, or constellations of local power are misunderstood."[109] Similarly, evidence shows that decentralization processes may make local democracy more vulnerable to political capture when restraints and accountability measures are absent.[110] Devolution can also lead to a lack of local accountability and significant opportunities for corruption[111] and reinforce or create elites who can use devolved power to pursue their own interests—to the detriment of both local and national interests.[112]

Successful devolution requires gradual preparation. Agreeing in detail on the degree of "subsidiarity" (pushing authority to the lowest capable level) in security, justice, and economic functions is essential to prevent further center-periphery friction. A second success factor is to ensure proper accountability of devolved structures to local citizens, offsetting the potential for local elite capture.[113] It is also important to ensure that new institutions are offered adequate technical support and the fiscal resources to deliver services.[114] Various decentralization experiences indicate that achieving success on all three fronts at once—political arrangements, technical capacity, and adequately accounted funding—is difficult, and that agreeing on a sequence is critical, as with the experience in Northern Ireland (box 5.12).[115]

Transitional justice to recognize past crimes

Some countries have addressed the sins of the past early through traditional justice measures to define a healthy new form of nationhood. Germany made a deliberate effort after World War II to address the past, including a focus on the dangers of totalitarianism and the atrocities of the holocaust in the high-school curriculum, and the establishment of sites of remembrance and education throughout the country, including former concentration camps.[116] Other countries that have instituted early transitional justice procedures include Argentina and Chile after their transitions from authoritarian rule. In Argentina, in addition to a truth commission[117] and various reparation programs for victims, junta leaders were tried and convicted for massive human rights violations. While initial processes faltered and were suspended for a 10-year period, prosecutions of human rights violators have resumed and currently comprise more than 600 cases.[118] Chile's experience is not radically different: truth-seeking[119] and reparations have been followed by more than 600 prosecutions, with more than 200 convictions thus far.[120]

Other countries have relied less on prosecutions and formal justice processes. A comparison of transitional justice approaches in five countries that have made promising transitions out of violence (Cambodia, Mozambique, Rwanda, South Africa, and Vietnam)[121] found that nonjudicial measures include truth commissions[122] and repara-

BOX 5.12 *Devolution and decentralization can help manage conflict, but are better done gradually*

Types of violence: Political and sectarian violence	
Transition opportunity: Space for progress—Good Friday Accord, referendum that represented opportunity for power-sharing arrangements	**Key stakeholders:** British and Irish governments, political parties and armed forces/groups in Northern Ireland, citizens, diaspora
Key Stresses: Inequitable access to political and economic power, sectarian tensions, perceptions of discrimination	**Institutional challenges:** Low inclusion and accountability in security and justice institutions, low trust, legacies of extrajudicial dispute resolution

In many center-periphery conflicts—where groups are engaging in violence to gain autonomy or secede from the state—the devolution of political power has been proposed as a possible solution to resolve conflict, maintain or restore law and order, and rebalance relations between local and central governments.

But devolution is not an automatic answer to regional tensions and can at times amplify conflict. In Northern Ireland, it was not only the 1921 partition of Ireland that drove the conflict, but also the devolution of authority to a new Northern Ireland Assembly and the effects on center-periphery relations. Unionists found a need to reemphasize that they were British, while the Catholic minority lost faith in political structures that provided few safeguards for them.

In Northern Ireland, a new process of devolution was a centerpiece of the Good Friday Accord, introduced gradually to allow confidence to be built up. The Accord was signed in 1998, but decommissioning of the Irish Republican Army's weapons and the security reforms were not completed until 2005, and the devolution of policing and justice to the Northern Ireland Assembly was finally completed on March 8, 2010.

Source: Barron and others 2010.

tions programs for victims,[123] as well as administrative sanctions, such as vetting,[124] and traditional or local justice measures.[125] While the differences in the approaches were significant, there was no straightforward relationship between the approach and the attainment of stability.[126]

Where abuses are on such a huge scale that the formal justice system is unable to deal with them, special procedures may be justified. Rwanda faced this challenge following the genocide that left at least 800,000 people dead at the hands of their fellow citizens. In November 1994, the UN Security Council set up an international tribunal in Arusha, Tanzania, to prosecute people accused of violations of international law. Rwanda's own jails, meanwhile, were bursting with 120,000 people accused of genocide-related crimes—and there were only 15 judges to oversee their trials. The situation called for extraordinary measures. Rwanda's solution was to adopt a traditional community conflict resolution system, *gacaca*, and to train more than 250,000 community members to serve on panels in 12,000 community courts. Gacaca is based on an extended plea bargaining principle and has elements of both punishment and reconciliation; it is expected to draw to a close in 2011, having processed more than 1.5 million cases. It was a contentious approach, but with only 30 convictions to date at the international tribunal, a decimated national judicial system, and jails filled beyond capacity, there were few options other than a community process to deal with the enormous pressures.[127]

Economic reforms—in moderation

Economic reforms are needed to escape the cycle of violence, but they must not be victims of the "too slow-too fast" trade-off. Fragile and conflict-prone situations often share a raft of structural economic problems—low per capita GDP, fiscal imbalances, chaotic regulations, dependence on agriculture and natural resources, high illiteracy, rapidly growing populations, and a dearth of physical infrastructure. All raise the risk

of violence, but addressing them too rapidly also raises the risk of reigniting violence or deepening societal cleavages. Major issues for investors are "significant downside risks," which implies that individual economic policies may be less important initially than conveying certainty about the overall trajectory—including security.[128] Most economic reforms create real or perceived "winners" and "losers." Reform areas particularly sensitive to social tensions include access to land and water. It is therefore important to pay attention to the distributive aspect of growth.

In macroeconomic policy, gradually introducing feasible and prioritized reforms will allow for an appropriate level of breathing space and enable foundational institutional reform without running the risk of political backlash. The benefits of adopting a gradualist approach are evident in Mozambique, where early macroeconomic reforms after the 1992 peace accord focused on overcoming fiscal crises, curbed hyperinflation, created a situation of stability, and built the confidence and trust needed to enact deeper reforms.[129] In order to be effective, early reform efforts must also reflect the specific political and economic contexts and macroeconomic problems in a given situation, instead of attempting to be one-size-fits-all solutions. For instance, while the government in the Democratic Republic of Congo in 2002 to 2004 undertook a decisive stabilization policy involving a major tightening of the fiscal stance to curb hyperinflation, Bosnia and Herzegovina adopted, in the early post-conflict period, a currency board, preventing the central bank from printing money.

Experience indicates that privatizing for the purpose of economic growth is better done gradually. Moving economic assets from public to private hands has two distinct motives: one is fiscal, to stem losses or gain revenue from the sale of assets, and the other is productivity, to spur economic growth. Clarity about motives helps avoid common mistakes. Shutting down inessential enterprises that drain revenues can be an early priority. But early or rapid privatization of essential or valuable state assets runs major risks. A review of privatization efforts in fragile settings suggests that such reforms need to be carefully prepared.[130] This can be a lengthy process, but it can assist both with transparency and with managing expectations about the gains and accommodating the losers.

Shifting attitudes toward excluded groups is crucial but takes time

Tackling horizontal inequalities[131] between social groups is particularly challenging because it demands behavioral change to reverse deeply ingrained habits, attitudes, and ways of doing business among the "excluders." Frances Stewart distinguishes direct approaches (to privilege groups), indirect approaches (to reduce group disparities), and integrationist approaches (to break down group boundaries).[132]

Histories of exclusion create pent-up demands for action in redressing the legacies of the past, such as preferential quotas for employment or education. The risk is that they can make existing differences more permanent and salient, actually slowing integration. Pratap Mehta argues that "the best way of conflict mitigation or prevention is the creation of political structures and identities where questions of rights and citizenship are progressively detached from questions of which particular communities people belong to."[133] The implementation of affirmative action programs is often associated with mounting opposition as well as perceptions of corruption.

Addressing gender equality beyond economic empowerment also takes time. Gender roles and relations change during periods of conflict, and appear to signal social progress. But such gains may not be sustained or may be counterbalanced by a reversion to traditional identities and norms when families and communities are threatened. In effect, economic realities can push in one direction while social traditions pull in the other. In many countries the economic situations of women widowed by violence may mean that they need to look for jobs and business opportunities, but social mores can make

this difficult. The experience of the National Solidarity Program in Afghanistan indicates the significant potential benefits of programs that enable women to participate in the public sphere but also indicates that social and cultural change takes time (box 5.13).

Education and health reforms are crucial medium-term challenges

Education systems have the potential to mitigate conflict and contribute to peacebuilding in the long term, but also to exacerbate and perpetuate violent settings, depending on the nuances of policies, designs, and implementation efforts, as well as the different drivers of conflict and fragility. For instance, an internationally led education campaign in Afghanistan in 2002–03 failed to remove messages of hate and intolerance from curricula, and it is feared that this socialization of intolerance may exacerbate social tensions over time.[134] Conversely, in Bosnia and Herzegovina, the international community made deliberate efforts to exclude divisive messages from educational content, but has had unintended consequences of increasing suspicions of external politicization of education, in effect exacerbating local divisions.[135]

Education does not need to stop at the classroom door. Parental behavior, the family environment, and the extent to which young people feel connected to their parents (or to caregivers who play a parental role) have shown to be either one of the strongest protective factors in the lives of young people or one of the strongest risk factors. Evidence shows that investing in family-based parenting training that promotes positive, healthy, protective parent-child interactions can reduce domestic violence, the extent to which young people associate with delinquent peers, alcohol and substance abuse, school dropout, and arrests.[136] Therefore, parenting training is one of the most cost-effective ways to prevent risky behavior among young people.

Where reform of the health service and the training of national personnel would take years, delivering public services using international capacity for transitional periods can create the space to build national capacities in the longer run. Timor-Leste, after the 1999 referendum, faced serious health problems, a destroyed infrastructure, and virtually no trained personnel. Instead of pursuing a top-down reform of the health service immediately, the Interim Health Authority signed agreements with international NGOs for each district and focused its efforts on developing sensible plans, monitoring delivery, and training a new cadre of health staff. The Timor-Leste model fostered a learning environment by using 100-day planning cycles with clear targets and a strong focus on results, building confidence and capacity by meeting those targets. Over time, the government gradually phased out NGOs and took back responsibility for the health services. The program had drawbacks—among them, high unit costs—but it did provide a path toward institutional transformation while continuing to serve immediate needs.[137] A similar approach has been used in Afghanistan and has proven reasonably robust in insecure circumstances (see also chapter 8).

Institutional transformation as a continuous process

The risk of a moderately paced and flexible approach to reform is getting stuck, either moving too slowly or not making the next step when needed. Many best-fit solutions may indeed remain in place for the long term—for example, this may occur with traditional justice systems because they are more effective at maintaining social cohesion at the community level—while others are temporary stop-gap measures only. For the latter, realism about timelines is essential to avoid losing ground on hard-won results. There are a variety of ways to sustain impetus for improvement that we discuss here.

One way to build both internal esprit de corps and external legitimacy is to work up from small, more achievable targets to progressively more ambitious ones. Stress is carefully calibrated, and tasks are selected in ways that do not threaten to overwhelm

BOX 5.13 *Development approaches can empower women in the most fragile environments*

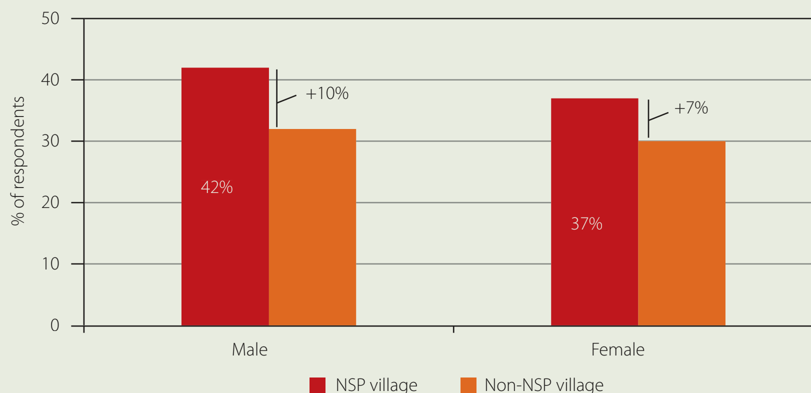
Afghanistan

Types of violence: Intergroup, ethnic, and political violence; organized crime and trafficking; cross-border; transnational ideological	
Transition opportunity: Initial large space for change: Bonn Accord; Loya Jirga; presidential, parliamentary, and provincial elections; national development budget	**Key stakeholders:** Federal and local government, security force, community leaders, civil society groups, citizens, women, international partners, transnational militant groups
Key stresses: Legacies of violence and trauma, transnational terrorism, criminal networks, low incomes, youth unemployment, corruption	**Institutional challenges:** Severe accountability and capacity constraints in public administration, security, judicial, and political institutions; lack of representation of women

Gender has been one of the most politicized issues in Afghanistan for a century. Afghan women and girls today still face suffering, humiliation, and marginalization from the discriminatory views of the role and position of women in society. Gender gaps are widespread in health, education, access to and control over resources, economic opportunities, and political power and voice. And yet, this role is not stagnant. The National Solidarity Program (NSP), the country's largest development program, operates in villages across the country through democratically elected community development councils (CDCs). Through mobilization by facilitating partners, women are involved in voting, while CDC modalities provide a variety of configurations enabling more balanced gender participation (mixed CDCs, parallel committees (one male, one female) that report to a mixed-gender CDC, or a women's committee that consults with a fully male CDC). Results of a comparison between NSP and non-NSP villages using a rigorous study design in an independent evaluation suggest that having women in charge of decisions in community projects improves the perceptions by both men and women of women in leadership roles (see figure). This is not being advocated as "the" solution, but it shows that incremental steps can lead to incremental progress, even for culturally difficult issues of inclusion.

FIGURE A Opinions on the role of women in community life: "Is there a woman in the village who is well respected by men and women?"

More men and women in villages that participated in the NSP believe that there is a woman who is well respected in their village than did respondents in villages that did not participate in the program. Statistically significant differences are shown with percentages above each bar.



Source: Beath and others 2010.

Sources: Beath and others 2010; UN Assistance Mission in Afghanistan and UNOHCHR 2010.

the organization. In 2006, with support from the World Bank Institute, the government of Burundi introduced a rapid-results approach. This approach, now applied across 80 government projects, breaks up long-term development plans into manageable 100-day chunks. A pilot program in the Ministry of Education resulted in the distribution of 250,000 textbooks to primary schools in 60 days, a task that had previously taken an entire school year. In a health care pilot program, 482 pregnant women visited

health centers and were provided with HIV/AIDS screening in one month—almost seven times the previous monthly average of 71.[138] A similar simplified approach was followed in Indonesia in the early years following the turbulence of the 1960s, where ministries undertook simple annual targets to improve service provision.

This chapter began by describing the "too fast-too slow" dilemma in institutional transformation. What are the principles of a middle way of progress that can produce success? An emerging literature on approaches to development across a variety of domains—from economic policy to social policy to institution building—promotes a flexible and pragmatic, and thus "experimental best-fit," approach to progress.[139] This includes the following:

- **Pressure for performance around meaningful goals.** Overall, this is a shift from measuring progress around "outputs" (whether budgets spent, items procured, legislation passed, or policies adopted) to assessing performance around "outcomes including citizen trust."
- **Pragmatism and flexibility in the ways goals are accomplished.** Pressure for performance must be accompanied by giving flexibility to the agents responsible for performance. Reformers need to be given the space for "disruptive" innovations that may look inferior but hold the seeds to progress.[140]
- **Monitoring, information, and evaluation systems for decision-cycle-oriented feedback loops and continuous learning.** Rigorous evaluation of results is one key element of evaluating alternative approaches, but not the only one.[141] Programs need built-in mechanisms of learning so that what is promising can be scaled up and what is not working can be changed—in shorter cycles of continuous feedback. Such evidence about what works and what does not work will in turn be useful for other countries as they strive to adapt experience from abroad to their own context.

This "middle way" requires capacity, which is scarce in fragile states. That is why the "best-fit" approach and careful prioritization and sequencing go hand in hand. If existing capacity is focused on prioritizing items in sequence (rather than trying to do everything all at once), some items can move ahead rapidly, and once they have enough momentum to sustain gradual progress, the country can move on to tackle the next items.

Delivering results and transforming institutions are primarily the responsibility of state and nonstate actors in countries affected by violence. However, the international community—bilateral donors, international organizations, nongovernmental organizations, businesses—can provide essential support for such processes, and it has done so on many occasions, including many of the initiatives described in this chapter. Yet, the international community is itself challenged by the evolution of violence since the Cold War era, and has its own transformation to adapt to new contexts. To this we turn in chapter 6.

FEATURE 5 *Violence in Central America—Depth of institutional transformation matters*

Types of violence: Civil conflict, trafficking (national and cross-border), criminal and gang violence	
Transition opportunities: Peace agreements, cease-fires, elections, rapidly rising insecurity and criminality	**Key stakeholders:** Governments, armed groups, refugees, ex-combatants, conflict victims, citizens, international partners
Key stresses: Legacies of violence and trauma: presence of international criminal networks, repatriation of suspected gang members, perceived social and economic deprivation, youth unemployment; human rights abuses	**Institutional challenges:** Severe accountability and capacity constraints in judicial and security institutions

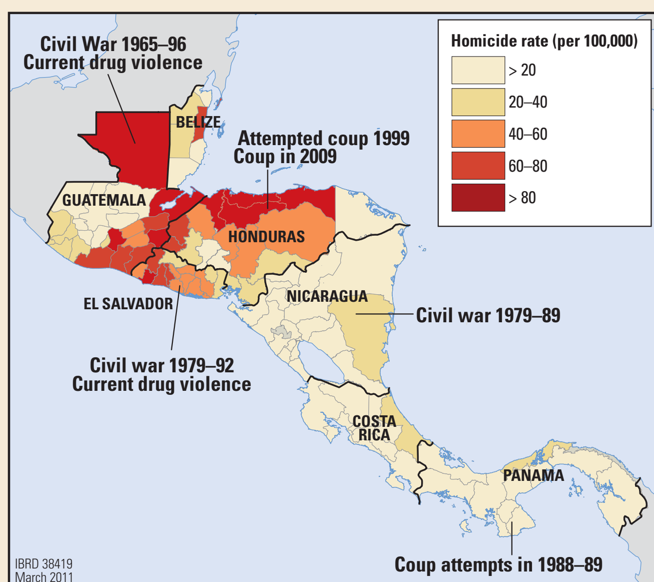
Most countries in Central America experienced violent civil conflicts through the 1980s and into the 1990s. Although all of those that experienced war signed peace accords, the legacy of civil strife has had long-lasting and profound negative repercussions. Although civil war has ended, new forms of violence, such as trafficking and organized crime, have been on the rise. During the civil wars, around two million people are estimated to have been displaced or sought refuge in other countries. The trauma exacted by these conflicts created a culture of violence with a long legacy.

More recently, external stresses—specifically, increased transit of drugs through Central America—have contributed to violence. The dismantling of the Cali and Medellín drug cartels in Colombia, which had controlled the production and transport of drugs, led to dispersed competition for control of transit routes with a consequent impact on several countries in the region—particularly those in the Northern Triangle of El Salvador, Honduras, and Guatemala. Today, the majority of the drugs transiting from South America to the United States comes through Central America en route to Mexico or the Caribbean.

In the last 10 years, homicide rates have resurged significantly, and Central America now has an estimated 70,000–300,000 gang members. Not all countries are equally affected, however: according to official statistics, El Salvador, Guatemala, and Honduras exhibit significantly higher homicide rates than the rest of Central America. In 2009, Guatemala recorded 6,450 murders and only 231 convictions. In El Salva-

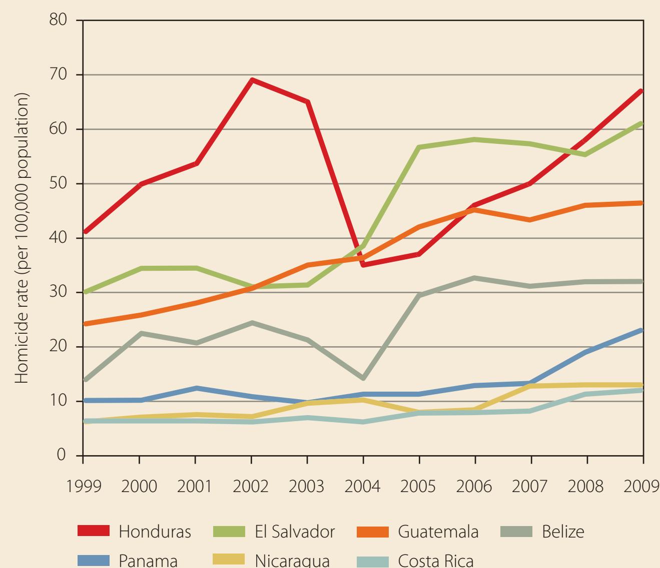
Repeated violence in Central America and rising homicide rates

a. Repeated violence in Central America, 1965–2009



Source: WDR team.

b. Homicide rates in Central American countries



Source: WDR team calculations based on homicide data from WDR Database.
Note: Homicide rates are per 100,000 population.

dor, levels of impunity are also very high: in 2005, only 4 percent of homicides were resolved by legal convictions.

Both external stresses and differences in approaches to institutional transformation between the Central American countries may help explain the current differences in levels of violence.

External stresses

The deportation of suspected gang members from the United States back to Central America has influenced gang culture and membership. El Salvador, Guatemala, and Honduras suffered the effects of the massive repatriation of suspected gang members and illegal immigrants from the United States while Nicaragua was much less affected (box 2.4). Where drug trafficking is more intense, the levels of violence seem to be higher. Guatemala's Peten region, a corridor for transshipments into Mexico, suffered more than 100 homicides per 100,000 people in 2008 and 2009.[142]

Institutional capacity, inclusion, and accountability

After the end of the civil wars, each country undertook reforms—including reforming the security forces and, eventually, the judiciary. Both Guatemala and El Salvador included such reforms in their long-negotiated and comprehensive peace agreements, while in Nicaragua reforms were undertaken at the end of the war. In accordance with the peace agreement signed in January 1992, El Salvador reduced the size of the military (from 60,000 to 15,000), disbanded elite military groups and two police bodies, and over time created an entirely new National Civilian Police that integrated elements of the former guerrilla movement, former police officers, and new recruits (allowing a 20-20-60 percent proportion among these cohorts in its first promotion). The approach therefore was broad-ranging. The comprehensive peace accords in Guatemala signed on December 29, 1996, not surprisingly included some of the same elements: redefinition of the functions of the military and police, reduction of the military, disbandment of special elite units, and reform of civilian police.

The type of transition moment each country faced at the end of its internal conflicts affected the reach of otherwise similar measures. In Nicaragua, the Frente Sandinista won the conflict outright. Its ability to induce institutional reform therefore was significantly greater than in Guatemala or El Salvador. Both the Nicaraguan security forces and the judiciary were amply vetted. In addition, Nicaragua also undertook an extensive reform of its police forces, adopting legislation and national guidelines on arms control, piloting targeted community policing, and initiating public health projects focusing on the risks of armed violence. Notably, the modernization of the National Police Force of Nicaragua included a number of initiatives to mainstream gender and increase the participation of women, such as the addition of training modules on gender-based violence within police academies; the introduction of women's police stations (staffed by female police officers and focusing on cases of gender-based violence); the reform of recruitment criteria, including female-specific physical training and the adaptation of height and physical exercise requirements for women; introduction of transparent promotion requirements; introduction of family-friendly human resource policies; and establishment of a working group to evaluate and improve the working conditions of female officers.

The conflict in El Salvador, by contrast, ended in a military stalemate with no clear victor. This led to compromises: the Frente Farabundo Martí para la Liberación Nacional (FMLN) decided, for example, to abandon its demands for vetting the judiciary in exchange for deeper reforms of the military, although there were some subsequent reforms in the judiciary. On the other hand, the military had to accept, for the first time, having its officers vetted by civilians (the ad hoc commission established by the peace agreement, which recommended the dismissal or transfer of 103 officers), and the integration of former FMLN members into the new NCP (National Civilian Police).

The Comprehensive Peace Agreement that settled the Guatemalan conflict was negotiated with the Salvadoran experience as a backdrop and featured intense international pressure to obtain similar results—but in circumstances in which the state had essentially defeated the insurgency. The severity of the crimes committed by forces that belonged to or supported the state, in a context of international pressure, helps explain why the government appeared to make concessions. Yet while some units of the armed forces were eliminated and the police force was reformed, the changes were not significant enough to make a sustained difference in terms of security; with new pressures from drug trafficking networks, violence increased rapidly.[143]

Sources: Bateson 2010; CODEH 2008; CICIG 2010; Dudley 2010; Instituto Universitario en Democracia Paz y Seguridad 2010; STRATFOR 2009; UNODC 2007; UNDP 2008a; Zamora and Holiday 2007; Popkin 2000; WDR team calculations.

Notes

1. World Bank 2006c; WDR consultation with government officials, United Nations, donor representatives, local nongovernmental organizations, and community-based organization representatives in Haiti, 2010.
2. Special Inspector General for Iraq Reconstruction 2009.
3. Porter and Rab 2010.
4. Lockhart and Glencorse 2010.
5. Spear and Harborne 2010; Harbone and Sage 2010; de Greiff 2010; Guehenno 2010; Sherman 2010; Sage and Desai 2010; Roque and others 2010; Dobbins and others 2007; Collier and others 2003; Collier 2007; Johnston 2010.
6. Narayan and Petesch 2010.
7. Guerrero 2006; Llorente and Rivas 2005; Formisano 2002.
8. Crawford 1999; Sutton, Cherney, and White 2008; Willman and Makisaka 2010. *Mano dura* ("iron fist") policies may be effective in the short term but may have long-term negative consequences—they promote youth incarceration, reducing crime in the short term, but may ultimately lead to greater recidivism and more serious crime in the longer term (see Cunningham and others 2008).
9. Guehenno 2010, 2.
10. Pan 2005.
11. OECD-DAC 2007a.
12. UN Security Council 2006.
13. Ball and Holmes 2002; Transparency International 2011.
14. Public financial management (PFM) reviews are a useful tool to improve transparency and governance in the security sector. A PFM review in the Central African Republic found that 25 percent of the national budget was spent on the security sector, of which 21 percent was on the military and gendarmerie (law enforcement agency charged with police duties, but organized along military lines) and only 3 percent was on the police, and that 75 percent of the security sector expenditures were on salaries, which were relatively clearly controlled. A major drain on recurrent expenditure was an over-age component, comprising over one-third of the army. The main area of concern was about receipts and income, which remained off-budget, including taxation on flow of persons and commerce. As a result of this report, the European Commission has started financing the pensioning off of the over-age in the army, and the World Bank has provided training in public financial management practices to key staff in the security sector as part of its program on improving capacity and functioning of public financial systems in the government (World Bank 2009f).
15. Perry 2008; International Crisis Group 2009a; Human Rights Watch 2009; Reyntjens 2007; Kelly 2010.
16. Colletta, Kostner, and Wiederhofer 1996.
17. South Africa Ministry of Defence 1996; Williams 2005; Batchelor and Dunne 1998.
18. Rozema 2008.
19. Guehenno 2010.
20. Guehenno 2010, 5.
21. OECD-DAC 2007a.
22. International Center for Transitional Justice 2010; Mayer-Rieckh and de Greiff 2007; Patel, de Greiff, and Waldorf 2009; de Greiff 2006; Hayner 2010.
23. de Greiff 2010.
24. Addison 2009.
25. The general target for female representation in police formers and other security agencies in post-conflict countries has been 30 percent. However, this may take time and not be feasible, especially as most developed societies do not fulfill this target. For example, Finland has 10 percent, the United States 12–14 percent, and Canada 18 percent. Mobekk 2010.
26. Mobekk 2010.
27. Bastick, Grimm, and Kunz 2007.
28. UNIFEM, UN Action Against Sexual Violence in Conflict, and UNDPKO 2010.
29. OECD-DAC 2007a.
30. OECD-DAC 2007a.
31. Sherman 2010.
32. OECD-DAC 2007a.
33. Willman and Makisaka 2010; International Centre for the Prevention of Crime 2008.

34. O Dia Online 2010; Jornal O Globo 2010.
35. UNIFEM, UN Action Against Sexual Violence in Conflict, and UNDPKO 2010. Similarly, traditional dispute resolution systems can be adapted to address violence against women. For instance, 90 percent of women were satisfied with the *shalishi* process (a community dispute resolution system) when it was introduced by a rural women's group in West Bengal, two-thirds felt that they were better off, and nearly 90 percent said that physical violence by the husband had decreased or stopped. See International Center for Research on Women 2002; Bott, Morrison, and Ellsberg 2005. For more on Shalishi process, see Samity 2003.
36. WDR team interviews with Prime Minister Jean-Max Bellerine in Haiti, 2010.
37. For example, the *OECD Handbook on Security System Reform* underscores this approach when advocating that police reform be done as part of an integrated justice sector reform that includes the judiciary and prisons; see OECD-DAC 2007a; UNODC and the World Bank 2007.
38. Dinnen, Porter, and Sage 2010; Wainwright 2005.
39. International Center for Transitional Justice 2010; Mayer-Rieckh and de Greiff 2007; Patel, de Greiff, and Waldorf 2009; de Greiff 2006; Hayner 2010.
40. For more information, see feature 3 in chapter 3.
41. Guehenno 2010; OECD-DAC 2007a.
42. International Center for Transitional Justice 2010; Mayer-Rieckh and de Greiff 2007; Patel, de Greiff, and Waldorf 2009; de Greiff 2006; Hayner 2010.
43. World Bank 2010i.
44. Between 2001 and 2009, the Government of Afghanistan passed 244 laws, legislative decrees, regulations, and amendments, addition and repeal of laws and regulations. In addition, the government has entered into 19 charters, conventions, agreements, and protocols. See World Bank 2010g.
45. Another successful example of the use of Peace Justices and mobile courts to provide better access to justice, especially for the most disadvantaged groups, was in Honduras, as part of a project to modernize the judicial branch. Project results include (1) enhanced access to justice for vulnerable groups (30,000 annual users), first-instance courts in rural zones (1,000 annual users), and mobile courts in urban-marginal areas (7,000 annual users); (2) specialized service to 10,000 women in family courts; (3) improved protection to 15,000 women and children against domestic violence; (4) specialized service to 1,500 persons from vulnerable groups; (5) establishment of an integrated financial management system that promotes transparency and efficiency of the courts; (6) development of the judicial career with all the manuals for the selection, classification, and evaluation of personnel that will allow the transparent and competitive selection of 3,200 personnel; (7) adoption of a new management model for case management that will allow monitoring and evaluation of 1,200 judges; and (8) improved services to internal and external users of the courts through an IT (information technology) system and judiciary information kiosks. See Scheye 2009.
46. Dale 2009.
47. For example, in Angola, over 70 percent of children were unregistered in the mid-1990s. UNICEF 2007.
48. Comunità di Sant'Egidio 2010.
49. UNICEF 2007.
50. OECD 2007.
51. Berger 2003; Coldham 1984.
52. Straus 2010.
53. Bastick, Grimm, and Kunz 2007.
54. Everett 2009, 33.
55. Timor-Leste Independent Comprehensive Need Assessment Team 2009; WDR team consultation with Attorney General Ana Pessoa in Timor-Leste, 2010; Everett 2009, 33.
56. See OECD 2010e; World Bank 2006a.
57. Blundell 2010.
58. For Indonesia, see SUCOFINDO 2002. For Mozambique, see Crown Agents 2007.
59. Porter and Rab 2010.
60. Boko 2008.
61. Barron and Burke 2008. Another tool includes social audits involving communities in cross-verification of government records, such as the one used successfully under the National Rural Employment Guarantee Scheme in Andhra Pradesh, India (Centre for Good Governance 2009).

62. Agarwal, Heltberg, and Diachok 2009.
63. World Bank 2004.
64. Herzberg 2004.
65. BizCLIR 2007.
66. See Parker 2008 for a synthesis of practical lessons from value chain projects in conflict-affected environments; see also Bagwitz and others 2008; The SEEP Network 2009; Stramm and others 2006.
67. Evidence about the impact of value chain projects on social cohesion is mixed. For example, in Nepal, participants in a fresh vegetable value chain project pointed to improved community relations stemming from their expanded common interest. And joint efforts and research in Rwanda indicates that participation in a coffee value chain project was linked to low ethnic distance and distrust. In contrast, a groundnut value chain project in Guinea, while strengthening ties between two ethnic groups, did not include the local refugee population, a key party in local tensions. For Guinea and Nepal, see Parker 2008. For Rwanda, see Boudreaux and Tobias 2009.
68. In the West Bank and Gaza for instance, the Facility for New Market Development (FNMD), funded jointly by the U.K. Department for International Development and the World Bank, has been providing matching grants and technical support to private Palestinian companies seeking to expand their product lines and markets since 2008. In just over two years and with financial support amounting to US$2.4 million, companies enrolled in the project realized US$32.7 million in incremental export and local sales from market development plans the project supported; 42 companies entered 34 export markets in five continents; 48 products have been improved, including 15 products that are now certified by international and local standards bodies; 92 new products have been developed; more than 670 people have been hired to help with business expansion; and 85 business service providers offer their services through the FNMD Online Roster. Development Alternatives Incorporated 2010.
69. Twenty-two of the 181 countries included in the Enterprise Surveys are fragile and conflict-affected states. Ten of these countries have electricity as the most important environment constraint facing firms (and usually electricity is much higher than any of the other issues). It is also in the top three issues for 17 out of the 22 countries assessed. Only two countries, Côte d'Ivoire and Tonga, do not have electricity in their top six environmental constraints. Other constraints include obtaining finance, political instability, practices of the informal sector, and corruption. World Bank 2010d.
70. BBC News 2010.
71. World Bank 2011a.
72. A thorough review of job creation programs in post-conflict environments can also be found in ILO 2010.
73. The Productive Safety Net Programme launched in Ethiopia in 2005 is an important policy initiative by government and donors to shift millions of chronically food-insecure rural people from recurrent emergency food aid to a more secure, predictable, and largely cash-based form of social protection. See Sharp, Brown, and Teshome 2006. The National Rural Employment Guarantee Act in India was implemented on February 2006 in 200 of the poorest districts in its first phase. An additional 130 districts were covered by the Act during 2007–08 in its phase II. The remaining districts have been brought under subsequently. See del Ninno, Subbarao, and Milazzo 2009; India Ministry of Rural Development 2005, 2010; Blum and LeBleu 2010.
74. Giovine and others 2010; Arai, Cissé, and Sock 2010; Sayigh 2010.
75. Lockhart and Glencorse 2010; UNOPS 2009.
76. Wilson 2002; McLeod and Dávalos 2008; Centre for Good Governance 2009; India Ministry of Rural Development 2005, 2010.
77. del Ninno, Subbarao, and Milazzo 2009.
78. Lamb and Dye 2009; Tajima 2009.
79. Beasly 2006.
80. Cunningham and others 2008.
81. Mattero and Campbell-Patton 2008.
82. Cross 2010 discusses both opportunities and challenges of this approach.
83. Mills and Fan 2006.
84. Demirgüc-Kunt, Klapper, and Panos 2011; Cunningham and others 2008
85. Heinemann-Grüder, Pietz, and Duffy 2003.

86. See, for instance, ILO 2010 for a detailed analysis of self-employment and other local economic recovery activities in post-conflict settings.
87. M-Paisa builds on the experience of M-PESA in Kenya; see Mas and Radcliffe 2010.
88. See, for example, World Bank and others 2009. A successful management training program for small and medium enterprises is Business Edge of the International Finance Corporation (IFC), which makes locally adapted and translated adult-learning materials available, trains local trainers, builds capacity of local training companies (who tend to be small and medium enterprises themselves), and establishes quality assurance mechanisms so that local firms might in turn train the local population. Business Edge operates in several fragile and conflict-affected economies, including Iraq, Papua New Guinea, West Bank and Gaza, and Yemen. In Yemen, nearly 30,000 participants were trained from 2006 to 2010. An independent evaluation found that the program had a lasting impact on the country. Business Edge fostered a vibrant management training market that is active even after subsidies have been withdrawn. In Pakistan, an assessment of the program showed that the number of small and medium enterprises preparing cash flow statements after training increased by 20 percent and that 71 percent of participants with irregular credit histories had cleared or decreased their outstanding amounts six months after the training. See Peschka 2010.
89. Cunningham and others 2008.
90. For Japanese land reforms, see Kawagoe 1999; Tsunekawa and Yoshida 2010; For broader state-building experience in Japan, see Tsunekawa and Yoshida 2010; For Korean land reforms, see Shin 2006.
91. Lipton 2009; Rosset, Patel, and Courville 2006; IRIN 2009.
92. See World Bank 2008d on the design and implementation of cash transfer programs in emergency situations.
93. It is estimated that more than 650,000 Tajiks live and work in Russia—representing 18 percent of Tajikistan's adult population and as much as 80 percent of all Tajiks abroad. Remittances are estimated to account for around 50 percent of GDP—one of the highest figures in the world (Kireyev 2006, 3, 7).
94. *Economic Times* 2008.
95. Four elements are considered the backbone of successful schemes: (1) choice of workers to ensure that hiring is skill-appropriate rather than hiring overqualified workers who are likely to use the scheme as a stepping stone; (2) circular movement of workers to allow good employees to return in subsequent years rather than be offered a one-time-only chance at offshore employment thereby reducing the incentive to violate the agreement; (3) cost-sharing on travel-related costs with employers so that fixed costs borne by migrants are not so large that they make overstaying attractive; and (4) commercial viability so that the scheme remains private sector driven and reflects labor market conditions in host countries rather than by arbitrary quotas that become outdated if labor market conditions in destination countries change (World Bank 2006b).
96. Kingma 1997.
97. International Alert and Women Waging Peace 2004.
98. "For example, in the Democratic Republic of Congo, where women run only 18 percent of the small businesses, discriminatory provisions in the Family Code require married women to obtain marital authorization to go to court in a civil case, to buy and sell property, or to enter into any obligations, including starting a business. Banks generally require co-signature/approval of husbands if women are to obtain loans. The Family Code also affects the ability of all women to obtain employment, because proof of marital status is required, and this is difficult in a context in which identification papers are largely unavailable. Neighboring Rwanda, by contrast, has no such regulations, and women in that country run more than 41 percent of the small businesses." IFC 2008, 3.
99. IFC 2008.
100. Fearon 2010a.
101. Eades 1999; WDR consultation with former key negotiators from the ANC Alliance and the National Party in South Africa, 2010.
102. See, for example, Snyder 2000; Fearon and Laitin 2003; Epstein and others 2006; Goldstone and others 2010; Zakaria 2003; Mansfield and Snyder 2005. For Iraq, see Special Inspector General for Iraq Reconstruction 2009. For Kenya, see International Crisis Group 2008b.
103. The Loya Jirga is a forum unique to Afghanistan in which, traditionally, tribal groups have come together to settle affairs of the nation or rally behind a cause. Historically, it has been used to

settle intertribal disputes, discuss social reforms, and approve a new constitution. More recently, a Loya Jirga was convened in 2002 following the fall of the Taliban government and the Bonn Accord to choose the new transitional government for the country. See BBC News 2002.

104. Success was not universal, however, and some conferences failed to produce an institutional avenue for peaceful transition (Robinson 1994; Clark 1994; van de Walle and Bratton 1997).
105. Harbom and Wallensteen 2010.
106. Historically, the first civil war in Sudan started in 1955 and ended with the Addis Abba agreement of 1972 (see Gadir, Elbadawi, and El-Batahani 2005). However, rebels in the south (primarily Anya Nya) were not organized until the early 1960s, and battle deaths from violence did not reach major civil war thresholds until 1962, not falling till 1973 (Harbom and Wallensteen 2010).
107. See also Horowitz 2000; Barron and others 2010.
108. OECD 2010c, 24.
109. OECD 2010a.
110. Narayan and Petesch 2010.
111. Narayan and Petesch 2010.
112. Wilkinson and others argue that proportional representation may spur in-fighting among various ethnic groups over a small number of highly coveted political offices, limited economic resources, and positions of social status; it may also lead ethnic leaders to bargain harder with their rivals and overplay their hands (Wilkinson 2000; de Zwart 2000). Others argue that decentralization can reinforce ethnic identities, produce discriminatory legislation, provide resources for rebellion, and facilitate the collective action necessary for secession. Those that have recently found in favor of devolution as a way of maintaining national integrity have done so with caveats: Brancati argues that decentralization can reduce the likelihood of secession and ethnic conflict, but can have the opposite effect if regional parties are too strong. Lustick and others have run simulations that suggest that power-sharing in multicultural countries can lessen the likelihood of secession—but will in the process mobilize ethnic minorities (Brancati 2006; Lustick, Miodownik, and Eidelson 2004; OECD 2004.
113. Crook and Manor 1998.
114. Schelnberger 2005; Tukahebwa 2000.
115. Crook and Manor 1998; Ndegwa and Levy 2004.
116. Grimm 2010.
117. Truth commissions are non-judicial, independent panels of inquiry typically set up to establish the facts and context of serious violations of human rights or of international humanitarian law in a country's past. Commissions' members are usually empowered to conduct research, support victims, and propose policy recommendations to prevent recurrence of crimes. See International Center for Transitional Justice 2010.
118. See, for example, Filippini 2009.
119. Truth-seeking is a process through which societies attempt to make sense of the atrocities they have suffered during conflict or authoritarian regime and to prevent future injustices. Through the truth-seeking process, victims are able to find closure by learning more about the events they suffered, such as the fate of disappeared individuals, or why certain people were targeted for abuse. It involves the protection of evidence, the opening and maintenance of archives, the opening and publication of state information, and production of comprehensive reports. These efforts often come from official inquiry groups called *truth commissions*. See International Center for Transitional Justice 2010.
120. For recent numbers, see, for example, Estrada 2010.
121. Roque and others 2010.
122. See Hayner 2010; UNOHCHR 2006.
123. See de Greiff 2006.
124. See Mayer-Rieckh and de Greiff 2007.
125. See, for example, Huyse and Salter 2008.
126. Roque and others 2010.
127. Roque and others 2010.
128. Svensson 2000.
129. UNDP 2008b.
130. A World Bank study found: "There was a tendency in some post-conflict situations to give high priority to immediate and widespread privatization. While there is much in the histories of the countries studied to support the priority given to privatization of state enterprises, this does not

necessarily imply that sweeping and total privatization should be among the first reforms undertaken" (Kreimer and others 1998, 34).

131. Horizontal inequality is a measure of inequality among *individuals* or *households,* not *groups.* It differs from "vertical" inequality in that measurement of vertical inequality often is confined to income or consumption between groups. See Stewart 2010.
132. Stewart 2010.
133. Mehta 2010, 23.
134. INEE 2010.
135. INEE 2010.
136. Betancourt and Williams 2008; Melville 2003.
137. After the 1999 referendum, Timor-Leste faced serious health problems, a destroyed infrastructure, and virtually no trained personnel. The Interim Health Authority signed agreements with international NGOs for each district, and focused its efforts on developing sensible plans, monitoring delivery, and training a new cadre of health staff. The initial priority was to provide basic health care and services. In the first phase, international and national NGOs occupied a central role in providing emergency health services throughout Timor-Leste, independently funded through humanitarian assistance. In the second and third phase, Timor-Leste fostered a learning environment by using 100-day planning cycles to standardize the service packages provided in different parts of the territory, with clear targets and a strong focus on results, building confidence and capacity by meeting those targets. Over time, the Interim Health Authority was replaced by a new Ministry of Health, which assumed district management of the system and facilities. As a result of this framework, by late 2001 a fully Timorese Ministry of Health had recruited more than 800 health staff, given 60 percent of the population access to basic services within a two-hour walk from their homes, and boosted health facility use to 1.0 outpatient visits per capita. By 2004, an estimated 90 percent of the population had a facility within a two-hour walk, and health facility use rose from 0.75 outpatient visits per capita to 2.13. The health ministry and district operations were among the few state functions resilient to renewed violence in 2005–06, continuing to operate and indeed to provide assistance to the displaced population. World Bank 2002a, 2008h; Baird 2010; Rohland and Cliffe 2002; Tulloch and others 2003.
138. World Bank 2008c.
139. For economic policies, see Rodrik 2007; for social policy, see Grindle 2010; for institution building, see Andrews 2010.
140. Christensen 2003.
141. Banerjee and Duflo 2009; Demombynes and Clemens 2010.
142. The homicide rate in Peten region was 101 in 2008 and 96 in 2009 according to homicide statistics collected by the Guatemalan National Police. WDR team calculations.
143. The peace agreement stipulated a one-third reduction during 1997, down from a benchmark figure of 45,000 members to 31,000. Shortly after the signing of the accords, however, the army reported that its force level actually stood at 35,000, so it only needed a 4,000 troop reduction, which indeed took place (more systematically among rank and file than among the officer corps) (Stanley and Holiday 2002). See the report of the UN Verification Mission in Guatemala, as it was winding down its operations (UN Verification Mission in Guatemala 2003, 2004).