The nexus between peace and sustainable development in Asia-Pacific countries with special needs

While the international community has been largely successful in averting interstate conflicts since the end of the World War II and the Cold War, the rise in intrastate conflicts is disconcerting. Conflicts undermine human development, weaken social cohesion and institutional mechanisms, thereby impeding sustainable development. The Institute for Economics and Peace estimated that in 2016 the cost of violence containment for Afghanistan and Myanmar reached a staggering 52.1% and 8.4% of GDP, respectively. In terms of fatalities, around 167,000 people lost their lives to conflict in 2015. Conflicts “reflect not just a problem for development, but a failure of development.”

Multidimensional links between conflict and development

The 2030 Agenda for Sustainable Development recognizes that “sustainable development cannot be realized without peace and security; and peace and security will be at risk without sustainable development.” Evidently, countries that can sustain peace and mitigate the risks of conflict tend to achieve higher levels of human development, while more fragile countries tend to have lower levels (figure 1). The negative relationship between human development and conflict is driven by mutually reinforcing underlying dynamics that can be conceptualized in a conflict-human development trap. Essentially, low levels of human development increase the risk of conflict; in turn, conflict can destroy economic and social capital, consequently undermining human development.

Abstracting from complex historical and political underpinnings of conflict, one can trace mutually reinforcing links between peace and sustainable development. For example, stable and conducive societies tend to attract more capital, particularly longer-term investment, thereby creating jobs and allowing for long-term productivity growth. In such economies, the opportunity cost of conflict tends to be higher. Similarly, improved social outcomes, such as greater education attainment, better health and more poverty alleviation, and provision of basic services, also mitigate the risks of conflict through multiple channels. Environmental development in the form of inclusive access policies, disaster preparedness and conservation efforts can also minimize the risks of conflict by ensuring fairness, sustainability and resilience. When such outcomes are achieved, countries can witness a virtuous cycle of peace and sustainable development.

Conversely, conflict can unravel development gains by destroying physical capital and infrastructure, thereby impeding social progress and raising transaction costs for businesses. In fact, the severe destruction of infrastructure could, in the long term, induce as many indirect deaths, since health care depends highly on a good infrastructure and smoothly running supply chains. On the fiscal front, declining economic activity and informalization of employment narrows the taxable base. This can lead to a deterioration in fiscal positions as well as lower investment in socio-economic development in conflict afflicted countries. Additionally, the likelihood of marginalization in fragile settings is higher; and the consequent rise in socio-economic vulnerabilities may increase the propensity for civilians to engage in further conflict resulting in a vicious cycle.
The heightened vulnerability of countries with special needs

Eleven countries in the Asia-Pacific region have crossed the high-risk threshold of the Index for Risk Management (INFORM), which measures the risk of humanitarian crises and disasters. Of these, only five are countries with special needs (Afghanistan, Bangladesh, Myanmar, Nepal and Papua New Guinea), while several others, such as Bhutan, Kazakhstan, Turkmenistan, Uzbekistan and many small island developing States, are classified as low risk.

Yet, the unique structural impediments to development that countries with special needs face, coupled with their resource and capacity constraints, make these countries more fragile and susceptible to conflict than other developing countries. They also suffer from limited institutional and infrastructure capacities to deal with shocks. The resulting combination of these factors translates into a high level of vulnerability to shocks of socio-economic or environmental nature which ultimately makes them more susceptible to conflict and insecurity than other developing countries in the region. In recent decades, beyond the loss of lives, development in several countries with special needs, particularly least developed countries, were impeded by devastating conflicts.

For example, in Cambodia, which is a post-conflict least developed country, the Human Assets Index declined during its civil war, with measurements only improving after restoration of political stability following the general elections in 1998. In Nepal, the decade-long internal armed conflict to 2006 had a significant rural dimension and impeded rural development significantly. Similarly, internal conflict in Myanmar has created parallel subnational administrations run by ethnic armed organizations and is impeding development as well as broader political and social reforms.

Given the structural vulnerabilities of countries with special needs, an outbreak of conflict can easily compound their pre-existing conditions. For example, when Nepal was reeling from the devastation of the earthquake in 2015 a contestation over a proposed constitutional revision resulted in a border blockade. As a landlocked country heavily dependent on imports from India inflation reached double digits.

Least developed countries exhibit the highest levels of risk consistent with their higher levels of vulnerability and lack of coping capacity, which exacerbates their situation. Landlocked developing countries, small island developing States and other developing countries show similar scores on average, despite their risks being driven by different factors. For instance, other Asia-Pacific developing countries are exposed to the highest level of hazard and exposure, while having the strongest coping capacity. The risk level of small island developing States is underestimated by INFORM – which does not include climate factors – but are still second to least developed countries in terms of vulnerability and the lack of coping capacity. Landlocked developing countries have a relatively high level of hazard and a weak coping capacity.

Disaggregating the INFORM to its six categories, one can observe that in terms of vulnerability, the risks of least developed countries and small island developing States are mostly driven by their socio-economic vulnerability, such as high levels of poverty, inequality and dependency on external aid. Finally, the weak coping capacity of least developed countries as well as small island developing States stem both from their institutional and infrastructure deficits.

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development that nudge nations into an upward spiral of peace and development. Given the increasingly intrastate manifestation of contemporary conflicts, the role of home Governments in proactively pursuing such balanced development must be underscored. Furthermore, development must go beyond aggregate outcomes and encompass intrinsic notions of well-being such as human rights, equality and institutionalized respect for diversity.

Role of international community

As highlighted, conflicts today are primarily intrastate in nature and efforts to build and sustain peace must be nationally-driven. However, given the economic and political interconnectedness and interdependence between and among countries, the international community also plays an important role in supporting national reconciliation processes and sustaining peace. This can be achieved by enhancing regional economic cooperation and integration, and supporting South-South development cooperation. Greater cooperation in particular is necessary when addressing the growing challenges of adaptation to climate change and to reducing shared vulnerabilities to the increasing environmental risks.

The international community also plays a vital role through analytical research on drivers of conflict as well as on underlying causes of vulnerability and their linkage to the SDGs. They can also contribute to strengthening capacities in Asia-Pacific countries with special needs, to formulate and implement policies that address risks of conflict. Finally, through their intergovernmental structure, they can provide a platform for addressing conflict prevention at the regional and subregional levels and by supporting an exchange of lessons learnt, and methods and best practices across countries for providing peer-learning opportunities.

The MPFD Policy Briefs aim at generating forward-looking discussions among policymakers, researchers and other stakeholders to help forge political will and build a regional consensus on needed policy actions and pressing reforms. Policy Briefs are issued without formal editing. The content of this issue, prepared by Nyintob Pema Norbu, is in part based on material from the Asia-Pacific Countries with Special Needs Development Report 2018: Sustainable Development and Sustaining Peace (Sales No. E.18.II.F.15). This policy brief benefited from comments by Oliver Paddison and Yusuke Tateno, under the guidance of Hamza Ali Malik. For further information on this issue, please contact Hamza Ali Malik, Director, Macroeconomic Policy and Financing for Development Division, ESCAP (escap-mpdd@un.org).