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HUMANITARIAN POLICY GROUP

Sarah Collinson
Independent consultant,
former HPG Research Fellow

About HPG

The Humanitarian Policy Group at the Overseas Development Institute is Europe's leading team of independent policy researchers dedicated to improving humanitarian policy and practice in response to conflict, instability and disasters.

In brief

- This HPG Briefing Paper examines how political economy analysis can contribute to humanitarian programming in situations of conflict and political instability.
- Political economy analysis is concerned with the changing power relationships in society and the processes associated with conflict and vulnerability.
- Such an analysis enables humanitarian agencies to design appropriate and principled responses for conflict-affected populations.
- Much of what agencies need to know about conflict, vulnerability and power can be found from an examination of livelihood dynamics at the local level.



Overseas Development Institute

111 Westminster Bridge Road
London SE1 7JD

Tel: +44 (0)20 7922 0300

Fax: +44 (0)20 7922 0399

ODI email: odi@odi.org.uk

HPG email: hpgadmin@odi.org.uk

Website: www.odi.org.uk

Humanitarian action in conflict: implementing a political economy approach

Relief agencies place increasing emphasis on ensuring that political analysis informs their programming in difficult environments. There is a greater recognition of the political origins of vulnerability. There is also greater recognition of the need to ensure that aid is delivered in a principled fashion, and is not used by belligerents to sustain violence. Some organisations have also explored how aid might contribute to longer-term rehabilitation and conflict reduction. Conflict-impact assessment tools have proliferated, and there has been renewed concern about the relationship between emergency and development aid, and emergency assistance and international political and military action.¹

Despite this new-found interest in political analysis, supply-side considerations and blueprint approaches frequently hold sway. Needs assessments tend to be based on food security and public health models which downplay political, military and protection issues. While an increasing amount is known about the political and economic dynamics of conflict at macro-level, relatively little work has been done on the implications at the individual and household level, or on how such analysis might be used to inform programming.

This Briefing Paper summarises the findings of research examining how humanitarian organisations might better understand the political and economic factors that determine the vulnerability of conflict-affected populations. Based on case studies in Afghanistan, the Democratic Republic of Congo (DRC), Senegal and Sierra Leone, the research used an adapted version of the sustainable

livelihoods approach to examine the origins and dynamics of vulnerability at the household and community levels.

What is a political economy approach?

According to a political economy approach, vulnerability should be understood in terms of powerlessness, rather than simply as a deficit of the resources required to sustain life. Vulnerability and power are therefore analysed as a political and economic *process*, in which a variety of groups and actors play a part.² People are most vulnerable when their livelihoods and coping strategies are blocked or undermined, or if their group identity, political position or material circumstances make them particularly exposed to violence.³

Political economy analysis explains need and vulnerability in poor and conflict-affected societies. It potentially matters

Box 1: Asking different questions, getting different answers

A great deal of relief programming is based upon the idea that people are suffering from a deficit of key inputs. In other words, it is concerned with questions such as: what groups are facing food insecurity? What commodities are being exchanged at what price? A political economy analysis focuses much more explicitly on asking *why* and *how* particular situations have arisen: why a particular group is facing food insecurity, why particular patterns of power and vulnerability have come about, or why markets have changed in a particular way.

to every level and stage of humanitarian programming, from needs assessment, vulnerability mapping and the design and implementation of local relief and rehabilitation projects, to monitoring and evaluation. An improved understanding of the political and economic contexts of relief could make a significant difference to aid programming in a number of ways. It could:

- Strengthen and refine early-warning systems, contingency planning and preparedness measures, and inform and improve the design and impact of prevention efforts.
- Assist agencies in ensuring a principled approach to their interventions.
- Inform the negotiation of humanitarian access and the management of relations with belligerents and local institutions.⁴
- Improve the monitoring and evaluation of humanitarian activities.
- Identify, analyse and monitor vulnerable people's needs more effectively, and target and coordinate responses accordingly.
- Manage security more effectively.⁵
- Help to distinguish between 'civilians' and 'combatants', and to understand better the relationships between violence and war economies and particular individuals, groups, communities, institutions, livelihoods and/or humanitarian interventions.
- Identify and distinguish between the war economy, economic violence and the economic impacts of conflict, and assess the implications for specific communities, groups and/or humanitarian programmes.

Doing political economy analysis

Conflicts, political crises and associated humanitarian emergencies are varied and dynamic, and agencies' time and research resources are usually scarce and their staff over-stretched. Thus, humanitarian actors need to integrate strategic analysis into their operations on an ongoing basis, and in a way that is specifically intended to inform both policy and practice.

Inquiring into issues such as war economies is difficult, sensitive and potentially dangerous. How sensitive will vary greatly from place to place and over time, but in any situation of prolonged or recent conflict and political instability, the dangers and opportunity costs of research are considerable. Inquiry therefore needs to be undertaken *extremely* carefully, and a convincing argument made for its practical benefits. Tackling sensitive issues may be done best – and most safely – indirectly, through 'bottom-up' community-level research focused on people's livelihoods and how they have changed with, and been changed by, conflict and crisis. This, plus the need for reliable local advice about the safety and advisability of particular lines of inquiry, underlines the importance of linking analysis as closely as possible to agencies' policy and programming on the ground. Two approaches – commodity chain analysis and livelihoods analysis – lend themselves particularly well to this kind of work.

Commodity chain analysis. This technique identifies power relations, governance structures and exchange relationships within commercial networks, from primary production through to consumption, and from the local up to the international level. Of particular interest to political economy analysis is the identification of who controls commodities and exchange at particular levels. A commodity chain may be predominantly controlled and driven by producers or by commercial intermediaries, or by buyers at the consumer end of the chain.⁶ Three of the case studies used commodity chain analysis to

explore the political and economic issues associated with particular resources implicated in the war economy in question. The direct investigation of commodity chains in situations of conflict and political crisis is likely to be sensitive and potentially dangerous for researchers and their informants. As in other areas of political economy analysis, an understanding of commodity chains may best be developed incrementally and indirectly.

Livelihoods analysis. A livelihood 'comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks, maintain or enhance capabilities and assets and provide sustained opportunities for the next generation'.⁷ The key elements of livelihoods analysis include *assets*, *strategies* and *outcomes*. These must be analysed in a broader environmental, social, political and economic context. An analysis of the *institutions* that govern people's access to and maintenance of their assets is critical.

A livelihoods approach takes as its starting-point the actual livelihood assets and strategies that people use to achieve the outcomes they seek. While these approaches grow out of a food-security perspective, they recognise that food is only one basic need among others, and that adequate food consumption may be sacrificed in order to achieve other objectives, such as the maintenance of assets. People deploy a complex range of strategies to maximise their income and to minimise risk. The vulnerability of individuals and households, and their ability to mitigate shocks, is linked to their assets. These include *natural* assets such as land, *physical* assets such as housing, *human* assets such as education, *financial* assets such as money, and *social* assets such as kinship. A livelihoods approach intervenes in these relationships, assets and strategies to reduce vulnerability, poverty and food insecurity.⁸

Critics of the livelihoods approach have argued that it is relatively weak in acknowledging the impact of macro-level political factors in shaping livelihoods. In complex political emergencies, political and military factors are often central to determining people's access to assets. Linking the livelihoods approach with that of political economy can provide a powerful means of linking micro-, meso- and macro-level factors shaping people's ability to survive. Figure 1 outlines how sustainable livelihoods frameworks can be adapted to reflect the political and economic determinants of vulnerability in conflict-affected environments.

What can a political economy approach tell us?

The environments in which aid agencies work can vary significantly, from large-scale, high-intensity conflict to low-level, chronic insecurity. Yet despite these variations, the case studies conducted for this research revealed a number of common features of the political economy of conflict.

- *War economies, shadow economies and formal, coping and survival economies are closely intertwined, and there are no clear boundaries between them.* Evidence collected by this study in Senegal, Afghanistan and the DRC showed that communities may be primarily engaged in subsistence agriculture within the 'coping economy', but may also participate in the 'shadow' and 'war' economies by engaging in unregulated mining, smuggling or growing 'illicit' crops like hashish. The interaction between war economies and people's coping strategies suggests that the outright boycott of particular commodities may have a negative effect on poor people. Strengthening governance, for example

Box 2: Methodologies and research techniques

Collecting field data for political economy and livelihoods analysis is likely to draw on rapid-appraisal methods – principally key-informant interviews, direct observation and, where possible, mini-surveys – and oral testimonies, individual and household case studies and other informal research exercises, such as wealth ranking. Macro surveys build up a picture of the political economy at the national, regional and international levels, drawing on reviews of secondary and ‘grey’ literature. Community-level surveys examine livelihoods, aid, conflict and security, social relations and social capital, governance and local institutions. Qualitative Participatory Rural Appraisal-type methods may include observation, semi-structured interviews, mapping, timelines and group interviews. Personal testimonies may be particularly illuminating; conversations with traders, for instance, may be valuable for documenting how particular markets and livelihoods have changed over time.

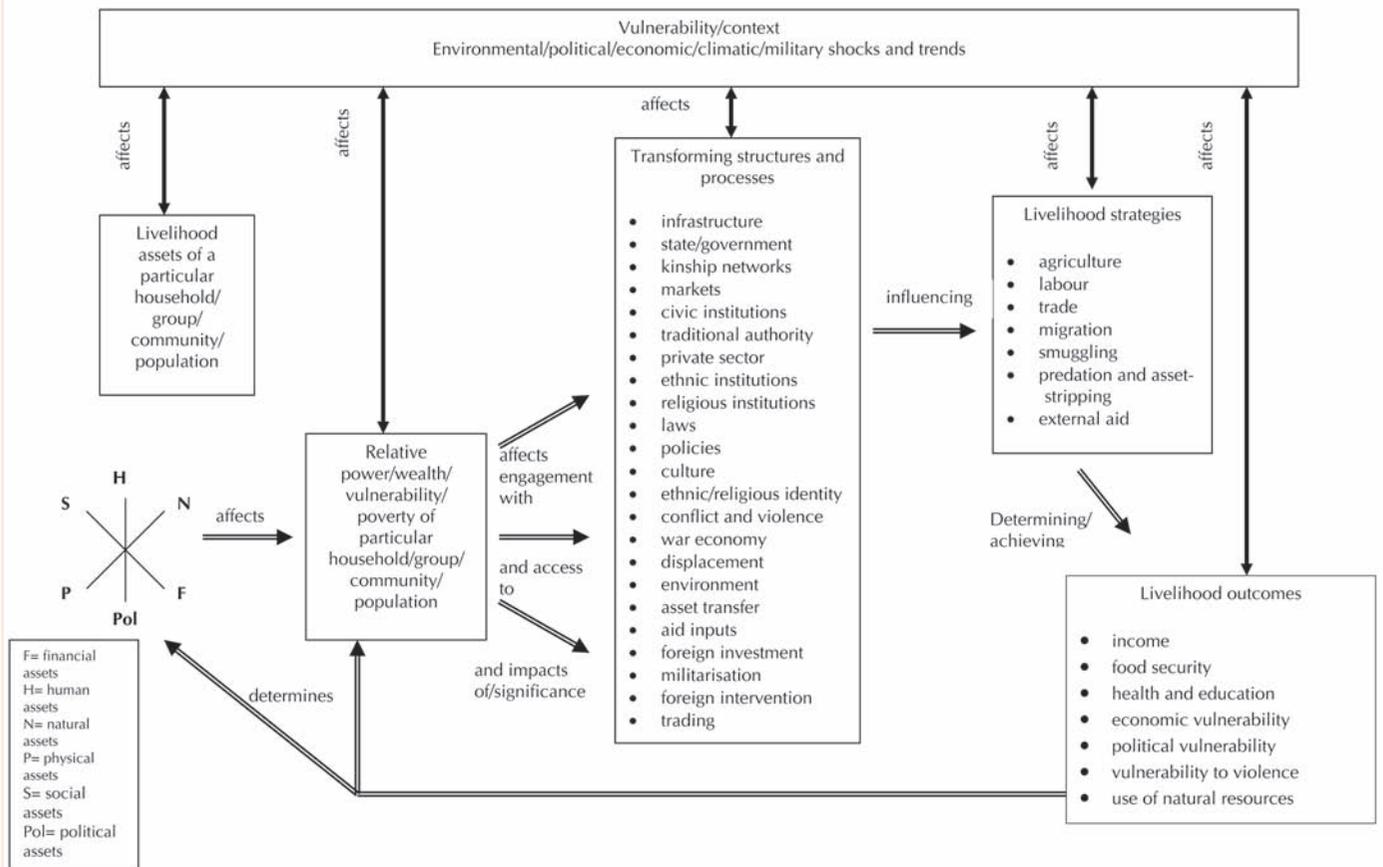
around mining, may be more effective than blanket sanctions.

- *Generalisations about the impact and implications of conflict for people and their livelihoods are unlikely to explain what is happening at local level.* People’s livelihood strategies and ways of coping with conflict depend upon a broad range of factors, including location, security regimes, the strength of local governance and social networks, and access to roads, markets and water. There may consequently be a great deal of variation between areas and groups, and even among villages and households within the same area. Research in Afghanistan revealed starkly differing pictures between neighbouring villages in terms of the impact of conflict on social capital. In some villages, economic interdependence and social networks had been maintained,

while in others they had been sharply eroded. This has important implications for the relative vulnerability of the respective populations, and their need for assistance and protection.

- *Understanding war economies depends on understanding warring groups and their motivations, and the broader role of violence in a society.* In any conflict, different forms of violence are likely to co-exist: from organised warfare and systematic economic violence through to more individualised forms linked to criminality and economic opportunism, and violent and destructive survival strategies. Understanding warring groups should help humanitarian agencies to recognise and anticipate changing patterns of vulnerability. In the Casamance and DRC, rural communities have been displaced and farmers’ access to land and other resources has been restricted by warring parties seeking to extend or maintain control over key commodities. But the nature of the violence is different in the two cases. In the Casamance, armed forces threaten the use of force to exclude civilian populations from certain areas, but rarely use it. Civilians benefit from military involvement in trade. In the DRC, the exploitation of local resources has become progressively militarised and violent; consequently, less and less benefit from the exploitation of these resources ‘trickles out’ to the civilian population.
- *A historical, regional and international perspective is crucial.* A historical perspective is required if political economy analysis is to be useful. In Sierra Leone, for example, contemporary antipathy towards chiefs among rural communities has its roots in the colonial era. Understanding the origins of the grievances against the local chieftdom structure is important as these same structures are being restored in the ‘post’-conflict era, and aid

Figure 1: A sustainable livelihoods framework in situations of conflict and political instability



Box 3: The political economy of vulnerability

Questions about changing power and wealth relations are particularly pertinent to societies affected by conflict. Yet political economy analysis should not be understood simply as a form of *conflict* analysis. Many of the key themes and issues this kind of analysis raises are applicable to many societies suffering extreme poverty, political instability and weak governance, whether violent conflict is present or not. Agencies need to understand the dynamics of vulnerability and power in *all* societies in which they are operating, irrespective of whether there is open conflict.

agencies are being encouraged to work with them.

- *'Greed' and 'grievance' are intertwined.* Economic imperatives and commercial agendas are intimately linked. Worsening poverty and inequality, and the gains made by conflict entrepreneurs and war profiteers, feed grievances that may centre on religious or ethnic identities.
- *Rumour can be as important as fact.* Political economy analysis gives weight to both the moral and material aspects of power: imagined threats, grievances or violations may be as significant as any 'objective' differences in wealth or political or military power. Agencies need to remain sensitive to rumour, innuendo and propaganda, both to monitor how their own activities are perceived and to keep track of changing patterns of power and vulnerability. In Sierra Leone, gaps in the coverage of NGO assistance were perceived by communities as reflecting patterns of patronage of local chiefs. Whatever the truth, rumours are significant for local political relations and the position of NGOs.

Conclusions and implications for agencies

Humanitarian agencies often face considerable practical, methodological and institutional constraints on carrying out, and acting upon, analyses of the political and economic contexts in which they work. Even if the understanding is there, the implications for individual humanitarian agencies or programmes, or for the wider humanitarian community, will not always be clear. Often, the key economic and political forces identified by an agency – the changing international price of a commodity, the structure of a commodity chain or the causes of an upsurge in militia violence – will be beyond that agency's influence or control. Humanitarian agencies may also ask whether it is *appropriate* for them to seek to exert such influence for reasons of neutrality or practicality. Much will depend on individual organisations' objectives and motivations, and judgements about how to use political economy analysis appropriately will be agency- and context-specific. In some cases, it may encourage a broadening of agency activities, to encompass advocacy for instance. In others, it may lead agencies to restrict their activities, perhaps avoiding direct engagement with a particular faction, or suspending peace-building activities where it is not clear who the peace-builders really are.

Humanitarian actors need to be able to account for their actions not only in terms of whether they do 'no harm', but also whether they do maximum good. No agency will be able to answer this question convincingly unless its operations are based on a sound

knowledge and understanding of the social, political and economic environments that it is working in, and of the role that its own operations play. While the practical constraints are considerable, the tools are there. The most significant challenge is an institutional one – how to integrate political economy analysis into the mainstream of agencies' activities at all levels, and how to ensure that this analysis is linked effectively to operations at field level.

Endotes

- 1 Nicholas Leader, *The Politics of Principle: The Principles of Humanitarian Action in Practice*, HPG Report 2 (London: ODI, 2000), pp. 3, 46–47.
- 2 Philippe Le Billon, *The Political Economy of War: What Relief Agencies Need To Know*, Network Paper 33 (London: ODI, 2000).
- 3 Le Billon, *The Political Economy of War*; David Keen, *The Benefits of Famine: A Political Economy of Famine and Relief in Southwestern Sudan, 1983–1989* (Princeton, NJ: Princeton University Press, 1994).
- 4 Leader, *The Politics of Principle*.
- 5 Koenraad Van Brabant, *Operational Security Management in Violent Environments*, Good Practice Review 8 (London: ODI, 2000).
- 6 Philip Raikes et al., *Global Commodity Chain Analysis and the French Filiere Approach: Comparison and Critique* (Copenhagen: Centre for Development Research, 2000).
- 7 Robert Chambers and Gordon Conway, *Sustainable Livelihoods: Practical Concepts for the Twenty-First Century*, IDS Discussion Paper 296 (Brighton: Institute of Development Studies, 1991).
- 8 Catherine Longley and Dan Maxwell, *Livelihoods, Chronic Conflict and 'New Humanitarianism': A Synthesis of Current Practice*, ODI Working Paper 182 (London: ODI, 2002); Jessica Schafer, *Supporting Livelihoods in Situations of Chronic Conflict: Overview and Conceptual Issues*, ODI Working Paper 183 (London: ODI, 2002).

This Briefing Paper is drawn from Sarah Collinson et al., *Power, Livelihoods and Conflict: Case Studies in Political Economy Analysis for Humanitarian Action*, HPG Report 13 (London: ODI, 2003). The report includes the following case studies (available at www.odi.org.uk/hpg/plc.html):

Stephen Jackson, *Fortunes of War: The Coltan Trade in the Kivus*
 Martin Evans, *Ni Paix Ni Guerre: The Political Economy of Low-Level Conflict in the Casamance*
 Michael Bhatia, Jonathan Goodhand et al., *Profits and Poverty: Aid, Livelihoods and Conflict in Afghanistan*
 Richard Fanthorpe, *Towards a Politically Informed Humanitarian Response to Conflict: Findings from Sierra Leone*

Other related HPG resources include:

Sarah Collinson et al., *Politically Informed Humanitarian Programming: Using a Political Economy Approach*, Network Paper 41 (London: ODI, December 2002)
 Philippe Le Billon, *The Political Economy of War: What Relief Agencies Need To Know*, Network Paper 33 (London: ODI, 2000)
 Philippe Le Billon, *The Political Economy of War: An Annotated Bibliography*, HPG Report 1 (London: ODI, 2000)

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