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## ABBREVIATIONS

CPA	:	Comprehensive Peace Agreement
EDPRS	:	Economic Development and Poverty Reduction Strategy
ESPRP	:	Economic and Social Rehabilitation Program
IDRC	:	International Development Research Centre
IMF	:	International Monetary Fund
IRDP	:	Institut de Recherche de Development et Paix
ISID	:	Institute for the Study of International Development
GAC	:	Governance Advisory Council
GDP	:	Gross Domestic Product
GPA	:	General Peace Agreement
MDGs	:	Millennium Development Goals
N-S	:	North-South
NUR	:	National University of Rwanda
SPLM/ A	:	Sudanese Peoples Liberation Movement/ Army
WB	:	World Bank

## **ABSTRACT**

A two day International Workshop on Peace and Development organized by OSSREA under the patronage of the National University of Rwanda (NUR), Rwanda Advisory Council (GAC) and the Institute for the Study of International Development (ISID), McGill University of Canada convened in Kigali on May, 29-09 and proceeded to Butare, Huye District, on May 30-09. The international workshop on Peace and Development brought together researchers and academics from the North (i.e. Canada, US), Africa, Asia and South America. On the National level, the meeting was presided over by the Minister of Public Service and Labour of Rwanda who also opened the workshop, and the executive secretary of the Governance Advisory Council of Rwanda (GAC), researchers/ lecturers from NUR, IRDP, and officials from the government of Rwanda. The workshop was sponsored by the World Bank and IDRC.

The aims of the International Workshop on Peace and Development were as follows:

- To bring together North and South researchers on peace and development and to create a dialogue,
- To generate new development insights that may impact on human rights protection,
- And to combine methodologies of people who come from different disciplines to create dialogue to tackle global issues.

The discussions in the workshop were set under three major themes and six case studies. Among the themes were; *Prolonged lack of stable power-sharing arrangements with negative economic outcomes*. Under this theme were two case studies– Sudan and Sri-Lanka. The second theme was; *Relatively Stable Post-Conflict arrangements with Positive Economic Outcomes*, where Rwanda and Mozambique were presented as case studies. And the last theme was; *Intermediate Cases of Conflict and Democracy*; under this theme, Colombia and Lebanon were the case studies presented at the International Workshop on Peace and Development. The major theme of this year’s workshop was Democratization, Poverty Reduction and Risk mitigation in Fragile and Post-Conflict States.

The Executive Secretary of Rwanda Governance Advisory Council, (GAC) Prof. Anastase Shyaka, noted that this important workshop on Peace and Development was much linked to objectives of GAC that does advisory work on governance issues in Rwanda which encompasses “*Democratization, Poverty reduction and Risk mitigation in Fragile and Post-Conflict States*”. It was also underlined that the definition of Governance in Rwanda provides insights into components that facilitate development; as such this workshop was valued as an important forum to share knowledge and experience on development for Rwanda.

Prof. Philip Oxhorn from the Institute for the Study of International Development, McGill University, and also the team leader for this project on *Peace and Development*, addressed the workshop participants and moved a vote of thanks to Dr. Musahara Herman, National University Of Rwanda, the World Bank representative, the IDRC representative and the Executive Secretary of GAC for organizing and facilitating the workshop to take place in

Rwanda. He underlined the importance and uniqueness of this workshop on peace and development as bringing together the North-South, South-South researchers to create dialogue, share experiences and combine methodologies in order to tackle global development issues. The team leader further highlighted the key issues on which the case studies focused their research as; *Power-Sharing, Service Delivery and Decentralization and Economic Policy*.

The World Bank representative said that the WB recognizes the vital role of peace, democracy and development. He pointed out that experiences shared in this workshop will contribute to the development of the thematic papers and that the motive of people present in this forum from different disciplines is to learn each others language.

In addition the IDRC representative asserted that the information generated from this workshop will facilitate peace processes, and inform and improve policy in individual countries.

The Minister of Public Service and Labor, Hon. Murekezi Anastase, presided over this workshop and thanked all the partners in organizing this workshop who made it possible for this forum to convene in Rwanda. He underscored that this workshop gives hope for continued efforts of sharing experiences in conflict management, and that there is no sustainable development without peace. The theme of this workshop was appreciated by the Hon. Minister as it was so relevant to Rwanda's development goals. Participants at this international workshop on peace and development were reminded that the genocide against the Tutsi, a catastrophe that befell Rwanda in 1994, left the country destroyed politically, socially and economically, although with rigorous reform policies the country is steadily recovering in all sectors. However, there are still challenges of poverty, human resource development etc.

There are many important qualities to this workshop and the Peace and Development Project, underlined by Hon. Murekezi as follows: establishing a forum for Southern and Northern Countries to learn from each other's experiences in a structured and comparative fashion. He concluded that "people build durable peace for sustainable development if they live together,

they recognize their diversity, and they clearly work and participate actively for common interests with fair access to public services, to education and health services. Actually, people build durable peace for sustainable development if they share everything, especially the democratic power; and if they benefit from the good fruits of labour productivity translated into economic growth for all”.

## **1.0: THEME ONE: PROLONGED LACK OF STABLE POWER-SHARING ARRANGEMENTS WITH NEGATIVE ECONOMIC OUTCOMES**

There were two case studies under the theme of prolonged lack of stable power-sharing arrangements with negative economic outcomes. These were Sudan and Sri Lanka

### **1.1. SUDAN CASE STUDY**

Atta El-Battahani from Khartoum University presented on behalf of the Sudan Case Study researchers and the presentation focused on the following issues; multiple transitions running simultaneously, Sudan’s frailty in terms of peace, democracy and development, Federalism and the Centralized economy or market oriented economy vis-à-vis the oil economy in Sudan.

It was pointed out that Sudan is currently passing through a process of multiple transitions: from authoritarian, one-party rule to democratic, multi-party rule; from conflict to peace (Darfur?); and from a state-led, underdeveloped economy to a market-oriented, developed and prosperous economy.

While these transitions are negotiated after protracted civil war, embodied in legally binding constitutional arrangements and time-bound, they are nonetheless cross-cutting, not mutually exclusive and, in reality, don’t seem to be delivering on power-sharing, participatory governance and service delivery.

In exploring how transitions interact with one another in a multi-layered, complex, and fluid context, the research argued that, in effect, the process of management of these transitions has been subordinated to dictates of “politics of expediency” one ultimate result of which is a regime with ‘apparent’ staying power amid compound crises.

The presentation on Sudan highlighted the cross-cutting questions on multiple transitions: power-sharing (in the case of the Sudan wealth sharing is incorporated as a component of power-sharing); participatory governance and service delivery (which combine fiscal decentralization with service delivery), and economic policy and post-conflict reconstruction.

Secondly, power and wealth-sharing focusing on how the CPA rewarded the militarized parties and marginalized traditional polity was also discussed focusing on how this led to a new wave of violent protest discourse, expressed in the form of an insurgency in the West (Darfur) and tribal conflicts in the South. The issue of "authenticity" of the transitions, especially the "democratic transition" was addressed. Participatory governance and service delivery, including decentralization might contribute positively to peace building, they were preempted because they threaten the fiscal (and hence political) hegemony of the center (Khartoum as well as Juba).

Finally the economic policy for reconstruction, paying attention to, among other things, the interplay between oil and the power structure in Juba and Khartoum and how it shapes the economic plan for reconstruction was portrayed.

## **1.2. SRI LANKA CASE STUDY**

Sri Lanka was the second case study under the theme of prolonged lack of stable power-sharing arrangements with negative economic outcomes. Mr. Deshal de Mel, as an economist, and Mr. Shakya Lahiru Pathmalal, as a political scientist, presented the research findings at the International Workshop on behalf of the research team.

The Sri Lanka presentation explored the following issues; peace and devolution of power, economic roots of the conflict, the recent trends in macroeconomic policy, macroeconomic reforms required for post-conflict economy, microeconomic policy priorities for post-conflict development, fiscal decentralization and the role of foreign aid and donors.

### **1.2.1. Economic Roots of Conflict in Sri Lanka**

The economic roots of the conflict in Sri Lanka as presented by the researchers at the International Workshop on Peace and Development included the following:

- Weak economic performance in the post-colonial era – 1960-1977;
- Import substitution with an almost completely closed economy in 1970-1977;
- Between 1960-1977 economic growth averaged 3.9% whilst between 1970 and 1977 growth averaged 3.0%;
- Industry failed to take off due to the inability to source imported inputs;
- Job creation by the economy was limited;
- Unemployment in 1973 was 24% and in 1978 it was 14.8%;
- Youth unemployment particularly high – 31.1% in 1978 and 28.8% in 1981, despite overall unemployment falling to 11.7%;
- Free secondary and tertiary education had created expectations for white collar jobs whilst the economy failed to create such jobs,;
- JVP (Sinhalese rural economically excluded youth) insurrections in 1971 and 1987 and LTTE (Liberation Tigers of Tamil Eelam) also made up of largely rural, economically excluded youth.

### **1.2.2. Macroeconomic Trends in Sri Lanka**

As presented and discussed by the Sri Lanka team at the workshop on Peace and Development,

- The conflict has had a two-fold impact on the economy that is macroeconomic and at the local level in provinces to which the conflict has been largely isolated;
- Fiscal policy has been a concern in Sri Lanka and high budget deficits averaging 8% of GDP have been a feature of the economy;
- Public debt reached 81% of GDP in 2008;
- Recurrent expenditure has exceeded government revenue in every year since 1990, while 32% of recurrent expenditure is on wages and 23% on transfers.

Military expenditure was also pointed out as another aspect of government spending totaling 20% of GDP in the year 2008. Moreover, revenue in the first two months of 2009 declined by 11.7% whilst expenditure has grown by 22.3% compared to the same period in 2008.

It was also reported that at the macroeconomic policy level, high interest rates are at present a concern, particularly in terms of post-conflict reconstruction efforts. However, the Central Bank was said to have eased monetary policy and its impacts are expected to feed through. The key is to put the brake on monetary easing at the correct time. While the exchange rate has been allowed to float, the potential post-conflict aid and remittance inflows may create some Dutch Disease effect.

The Sri Lanka team in conclusion emphasized the role of foreign assistance in post-conflict reconstruction and the issue was raised that views differ as to how and to what extent aid should be used in post-conflict development.

### **1.1.3 .General Observations from the First Theme**

General observations drawn from the first theme by the workshop participants included the following;

- The end of military battles in conflict ridden countries may not mean the end of conflict. This conclusion was drawn basing on Sri Lanka's conflict experience;
- Federalism may be a solution to regional imbalances as was demonstrated in the Sudan case study;
- Power-sharing arrangements tend to enhance peace, although they may negatively impact post-conflict development;
- Foreign Aid was reported to be crucial to post-conflict development, but it was argued that it should be improved in quality to suit post-conflict development needs.

## **2.0: THEME TWO: RELATIVELY STABLE POST-CONFLICT ARRANGEMENTS WITH POSITIVE ECONOMIC OUTCOMES**

Presentations under theme two, Relatively Stable Post-conflict Arrangements with Positive Economic Outcomes, included the case studies of Rwanda and Mozambique. The

Mozambique presentation was done by Hipolito Hamela and Calton Cadeado. The Rwandan Case study was presented by Dr. Herman Musahara as the economist and Ms. Euthalie Nyirabega as the sociologist.

## **2.1. RWANDA CASE STUDY**

The Rwandan presentation began with a brief political history of Rwanda which indicated that over 100 years, the leadership in Rwanda was marred by dictatorial practices engineered by both the colonial and post-colonial rulers of Rwanda. Furthermore, it was pointed out that clientele system was also practiced by the monarchy in Rwanda and that this was symbiotic.

Regarding power sharing, one of the areas for investigation in this study, it was mentioned that in post-genocide Rwanda, the Arusha Agreements are the power sharing model. As elaborated by the presenter, the Arusha Agreements power sharing model brought together all political parties except those which planned and implemented the 1994 Tutsi genocide to form a transitional government of national unity led by the RPF-INKOTANYI.

Perspectives of governance in Rwanda highlighted by the Rwanda case study were participatory governance and decentralization. These were said to be a discourse of development that started in 1980's but did not work in Rwanda because of the mindsets and belief systems of policy makers at that time. The ability to believe that citizens have power and that citizens can exercise their own power to act and be proactive citizens came with Rwanda's Vision 2020, EDPRS (Economic Development and Poverty Reduction Strategy) and MDGs in the post-genocide recovery strategy. It was underlined that good governance was essential to poverty reduction efforts and respect for human rights as well as peace building, economic growth and protection of the environment in Rwanda. In addition, a number of peace building and reconstruction projects in Rwanda were highlighted. Among them was the Gacaca reconciliatory system of justice, the Abunzi (mediators) system, the Ingando Solidarity camps, Umuganda community work, the Gender Mainstreaming Desk, and the Unity and Reconciliation Commission to mention a few.

In addition, Dr. Musahara elaborated on the genesis of economic development in Rwanda, indicating that the country suffered economic shocks in late 1980s and when it adopted a

structural adjustment initiative in June 1990. With the liberation war of 1990, followed by the 1994 Genocide against the Tutsi, the economy was shattered. In the years between 1995-1997 Rwanda experienced an economic emergency while economic reconstruction begun in 1998-2001, yet economic recovery of the country was only realized from 2000-2005. Moreover, from 2006 to date it was mentioned that the country had embarked on economic development through EDPRS.

The Rwandan team designated the economic cost of the genocide against the Tutsi also. The presentation indicated that human, social, economic and political life of the country was destroyed. For instance 10% of the population was killed, 30% was displaced and the GDP declined by over 50%. Poverty also was said to have reached over 77% on the head count index, and it was emphasized that Rwanda had gone through tremendous recovery in the past 15 years in all sectors of the economy. Poverty was pointed out to have declined from 77% to 59.2% in 2005.

Another important issue discussed was the dimension of aid in post-conflict situations. Aid in post-conflict states was said to be tied by such things like aid for rehabilitation versus development, aid committed versus aid disbursed, aid quantity versus quality. With regard to aid, it was concluded that resources are directed to key policies that are not always related highly to risk mitigation in Rwanda and dependency on aid is still very high.

Generally the Rwanda case study presentation indicated that there is progress in the path to development based on performance indicators in the areas of investigation of theme two.

## **2.2. MOZAMBIQUE CASE STUDY**

The Mozambique case study presentation focused on power sharing in war to peace transitions. It was pointed out that formally Mozambique transitions from war to peace had no power sharing but they underlined that power sharing did take place. For instance Renamo and the government of Frelimo shared power in some institutions, such as the National Electoral Commission, the Technical Secretariat for Electoral Administration and the Mozambican Defense Forces.

It was emphasized that power sharing in Mozambique did not take place at the political level. As explained by the presenters, this has contributed to ensure that the peaceful transition from war to peace considerably reduces the mistrust, promoting certain degree of mutual political and military control. This approach has given, apparently, to both parties the control over the instruments of violence.

Regarding the economy, the team indicated that Mozambique's economy was centrally organized for many years though it has since changed to a market oriented economy. It was pointed out that from the civil war to the peace agreement signed in 1992, Mozambique experienced a situation that brought much of the population from an era of starvation to one of the success stories in Africa. As explained at the workshop, the reconstruction and economic reform program was undertaken within the general framework of what was called in 1987 the Economic and Social Rehabilitation Program (ESRP). This Program was supported by huge external financial and technical assistance (World Bank, IMF, etc).

The role of aid in stabilization and post-conflict development was thus highlighted: between 1997 and 2003 foreign aid was 12-19 % of the GDP (500-700 millions USD). In addition, it was said that from 1997 aid per capita doubled from 58USD to more than 100 USD in 2001.

While concluding, the Mozambique team demonstrated further areas for exploration regarding aid. These included; peace dividend versus aid flows, indefinite reconstruction program, and government and aid money going to infrastructure, health and education versus investing in productive sectors such as agriculture and industry.

### **2.2.1. Conclusions from Theme Two**

- Power sharing models may not deliver before a conflict as expected but they can still be useful in post-conflict transitions;
- Post-conflict efforts should not focus on emergency and rehabilitation only;
- Aid can be made less harmful to the post-conflict economies if fiscal and monetary policy measures are taken early at the beginning of the transition;

- Aid is good for post-conflict transition. It can be harmful if it is used to aid violence. It can also be harmful if it crowds out domestic resource mobilization. We have noted how Rwanda has “aided” aid by putting in place institutions for fiscal austerity;
- Poverty reduction should be given priority, as should risk mitigation of pro-poor policies and the need to reduce inequality as economic gains are recorded;
- There is a need to have a linkage between economic and political strategies to undo the poverty conflict trap;
- Innovations in managing post-conflict transitions are possible in individual country’s specific contexts.

### **3.0. THEME THREE: INTERMEDIATE CASES OF CONFLICT AND DEMOCRACY**

Intermediate cases of conflict and democracy was the third theme for the International Workshop on Peace and Development. There were two case studies under this theme and these were Colombia and Lebanon respectively.

#### **3.1. COLOMBIA CASE STUDY**

The Colombia presentation was prepared by Francisco Gutiérrez and Juan Guataquí. It was pointed out that during the past fifty years Colombia has gone through simultaneously a history of conflict and a history of peace making. The presentation focused on peace-making, power sharing, and economic policy.

Power sharing in Colombia was explained basing on the case scenarios of 1958-1974. For instance it was highlighted that the conflict between the Conservative and Liberal parties ended up in the 1953 Military Coup. A *dictablanda* resulted: a closed regime, fearful of genuine political competition, but with aims of reducing the intensity of repression and of political confrontation. Moreover, the attempts to perpetuate power prompted the traditional parties to sign accords of opposition to the dictatorship, mobilize a wave of civil resistance.

Further more, the power sharing process was described to have been undertaken as follows;

- A “democratic convalescence”, was established by building an institutional setup that combined many of the standard workings of democracy;
- A careful power sharing structure was instituted to ensure each party got half of all posts, elected and non elected, at all levels;
- Reforms were approved by super (2/3 quota) majorities;
- Compulsory rotation in power;
- Explicit exclusion, and
- Social reforms were enacted aimed to achieve development.

On the other hand, economic issues in Colombia as elaborated by the presenter indicated that structural transformations and increasing fiscal and monetary pressures were a challenge. It was noted that the Alliance for Progress helped finance the fiscal deficit in the 1960s, but today the interactions between a persistent public deficit, high dependence on the resources provided by either good coffee trade outcomes or increasing external debt, and the monetary dilemma between exchange rate devaluation and inflation create greater uncertainty.

Despite the economic reform process adopted in Colombia, it was further revealed at the workshop that it was defeated. According to the team, the reformism which had made the country economically stable was undermined by the spread of violence. FARC emerged from radicalized liberal peasants and the political model showed apathy.

More so, it emerged that the country experienced factionalism at a regional level and got linked to the global markets of marijuana and eventually coca. It was underscored that this situation got combined to affect specific regions that did not have strong state presence, which increased violence.

Nevertheless, it was explained that the 1991 constitution led to economic and political, trade, labour, and Central Bank reforms, decentralization and social empowerment of the Indigenous and Afro-Colombian.

It was also concluded that the regional disparities influenced the peace processes and the power sharing mechanisms. As a result, unresolved structural factors, institutional factors,

and a combination of international factors (among them, narcotraffic) were a serious challenge.

### **3.2. THE LEBANON CASE STUDY**

The Lebanon team comprised of Samer Frangie and Nisreen Salti and their presentation began with a brief background of the history of conflict in Lebanon that led to the eruption of a civil war in 1975. This was summed up in the opening quote of the discussion which stated that, **“... Lebanon may have featured as a textbook case of civil war and sectarian conflict, but it is less likely to get an entry in a manual for post-war recovery.” (Leenders, 2003).**

The civil war erupted in 1975 and ended in 1991 with the signing of the Ta'if Accords under the auspices of Saudi Arabia and Syria and implicitly, the United States. It was pointed out that principal axis of tension during the civil war in Lebanon was sectarian, while the most striking hallmark of the Lebanese civil war was the extent of foreign intervention, fuelling sectarian strife in one way and curbing it at others. The presentation emphasized that the power-sharing agreement that brought an end to the conflict was (i) defined along sectarian lines and (ii) foreign sponsored and imposed.

Furthermore, it was elucidated that the power sharing agreement Pax Syriana of early 1990s saw an American-Saudi consensus hand over the Lebanon dossier to Syria. Syria's mandate explicitly called for the Syrian army to disarm Lebanese militias and take over the country's security and gradually hand it over to the Lebanese army and security forces. Besides, Syria as the enforcer of the power-sharing agreement meant that it played an implicit role in intelligence matters, elections, political appointments, and state decision-making at various levels of the state.

On the other hand, as elaborated by the presenter, the macroeconomic policy established was characterized by expansive fiscal spending post-war, with unexpectedly low returns in terms of growth rates and investment rates, and employment financed through debt which was mostly internal. The discussant showed that this generated corruption and government fragmentation which meant wasteful spending and the blurring of the public/private divide, a

severe debt crisis (highest rate of debt servicing in the world) whereas the second half of the post-war period saw more fiscal discipline, and a recourse to international markets for financing.

It was also pointed out from the presentation that Service Delivery and Participatory Governance attempted through decentralization and municipal elections were not confessional unlike legislative elections. Central funding to municipalities was substantially cut. Decentralization, in a climate of deeply rooted patronage through sectarian ties, was described to have been at best, cosmetic.

In conclusion, it emerged that the Power-sharing agreement led to relative peace though there was government fragmentation and lack of efficient government decision-making mechanism. With macroeconomic policy, it was noted that fiscal crisis was barely averted but relative monetary success was realized, whereas with regard to service delivery and governance, there was no real state capacity-building because the agreement was enforced externally.

#### **4.0. THEME FOUR: BUTARE SESSION**

The two day International Workshop on Peace and Development which started its work on May, 29 2009 at Hotel Laico-Umubano in Kigali moved for the second and third days of its working sessions to the Petit Prince Hotel in Butare town, Huye District, of the Southern Province on May, 30-31, 2009. The second day's session was presided over by the Vice Rector in charge of Academic Affairs of National University of Rwanda (NUR), Dr. Martin O'HARA. The Vice Rector gave a brief background of NUR and of its 30 years of its existence and indicated that NUR had graduated 2000 students in fifteen years and the student population had grown to 8000. He recommended the workshop on Peace and Development as a great opportunity for the researchers in the North and South to create a network. The Butare session attracted NUR senior academic staff, researchers, Junior Lectures and NUR finalist students from different faculties. In his brief address to the participants Prof. Philip Oxhorn of McGill University and the team leader of this project on Peace and Development, emphasized the point of bringing together researchers from North

and South to create network and combine methodologies which will facilitate dialogue and inform a common understanding of issues in research.

The IDRC representative also underlined the importance of such a workshop and pointed out that IDRC supports such forums because they are a channel of disseminating research information. In addition, she noted that IDRC supported this workshop because it is a forum for capacity building for researchers and that information generated from here would be used as material for students.

#### **4.1. OVERVIEW OF COLOMBIA**

Colombia was portrayed to have been characterized by power alteration between the Conservatives and Democrats. It was noted that these (Conservatives and Democrats) eliminated other parties. Drug trafficking was reported to be a serious challenge that has continued to fuel the conflict and that it is used by both the government and the rebels. Several different peace agreements have been brokered.

##### **4.1.1. Lessons Drawn from the Colombia Case Study**

- Peace agreements must be reliable for them to translate into sustainable peace and development;
- Peace agreements must be inclusive of all the warring parties in order to inform meaningful peace;
- Power sharing mechanisms must be inclusive involving transitional governance;
- Power sharing must be enabling enough to create an environment for economic development;
- Foreign Aid was recognized as very important during the conflict and in the aftermath of the conflict but it was warned that governments must use it carefully;
- Finally, international dimensions and systemic relations must always be taken into account by all the players in conflict management and post-conflict Development.

## **4.2. LEBANON CASE STUDY OVERVIEW**

Lebanon was described as having three major sects of religion, Christians 35% (largely Maronite 19%, with substantial Greek Orthodox minority 7%), Sunni Muslim (29%) and Shiite Muslims (29%). It was noted these percentages were based on approximate proportions because no census has been conducted in Lebanon since 1932.

It was reported that after the civil war of 1975, the constitution was changed and defined power sharing along sectarian lines and this power sharing mechanism translated into sharing resources based on gain. As pointed out by the presenter this fragmented the Lebanese state and promoted favoritism and nepotism cases associated with those in political power. It was underscored that the ethos of the Ta'if Agreement was the preservation of a sectarian balance at various levels of decision-making. As such, many state institutions became crippled by this prerogative; and others were created with a view to devise a mechanism of dividing the pie amongst the major sects. This led to high government spending.

However, the monetary value of Lebanon was saved by the fact that Central Bank had remained independent from the power game that had established in Lebanon. It also enjoys a good deal of consensual support from the various feuding political parties.

Last but not the least the Lebanese state was traditionally small and the private sector was vibrant. With the rise in corruption in the post-war period and the piecing out of government resources to sectarian leaders, service delivery became a tool for entrenching patronage and sectarian allegiance. The private/public divide was further blurred.

### **4.2.1. Lessons from the Lebanon Case Study Overview**

- It is important for institutions of the state to be operational and to give policy orientation;
- There must be commitment of the parties signing the agreements in order to translate into peace;
- Sector identities in power fuelled corruption;
- Peace and security must go together in order to secure sustainable peace;

- Power sharing was undermined in a way because of its rigid nature informed by sectarianism; and,
- Creating an enabling environment for fiscal policy and discipline saves monetary value.

### **4.3. MOZAMBIQUE OVERVIEW**

The Mozambique discussion was centered on power sharing and the war of liberation and the war of destabilization. To begin with, the presentation indicated that Mozambique was “born and grew” through long and severe wars. Ten years of war for liberation and sixteen years of war of destabilization (also called war for democracy). Both cases were followed by successful processes of transitions from war to peace.

It was underlined that this legacy makes Mozambique a legitimate example of peaceful transition from war to peace in which power-sharing gave its contribution to end the wars with no winners and no losers. However, theoretically and politically, power-sharing was portrayed as problematic and not consensual in the context of Mozambique in both cases of transitions from war to peace. They further indicated that the Lusaka Accords did not refer explicitly to power-sharing. But it defined a government of transition (Portuguese administration and Mozambicans led by Frelimo) and a Joint Military Commission. While the General Peace Agreement (GPA) never referred specifically to power-sharing, in fact during its implementation there occurred a non traditional power-sharing. Renamo and the government of Frelimo shared power in some institutions such as the National Electoral Commission, the Technical Secretariat for Electoral Administration and the Mozambican Defense Forces.

Practically, it was reported that Renamo, as a political party, was allowed to retain armed men allegedly to protect its leader and with a promise to integrate them into the police. However, up to now they are not integrated and are used as a political tool. The government nominated Renamo officials as advisers and administrators in the areas under its control during the war.

Finally, peace and privatization was highlighted and it was explained that most companies were sold to Mozambicans of which most of them were former freedom fighters. By law (privatization law) they were given priority in this process; even having one of them on the buying team gave more points.

#### **4.3.1. Lessons from Mozambique**

- Mutual understanding of concerned parties on power sharing through informal mechanisms led to peace in Mozambique;
- Multiple transitions delivered peace building and economic reconstruction in Mozambique;
- Negotiations should always be encouraged because they enhance and build trust among the conflicting parties.

#### **4.4. OVERVIEW OF THE RWANDA CASE STUDY**

There are multiple initiatives running at the same time to sustain peace and promote socio-economic and macro development. As pointed out by the Rwandan team, they recommended this multidisciplinary approach as a good mechanism for sustainable growth. It was noted that the Rwanda population manifest satisfaction with the approach though it may seem to be tiring.

There are various cases of reconstruction and peace building projects in Rwanda that were highlighted in the presentation and these included: *National Unity and Reconciliation Commission* (to strive for a peaceful, united and prosperous Rwanda), through organizing solidarity camps (**Ingando**) patriotism forums (**Itorero**) all based on Rwandan cultural values. GACACA courts were also pointed out as a means of justice and reconciliation. **Ubudehe** popular participation through local collective action proved to have a problem-solving capacity at the local level by citizens and local government. **Gender Mainstreaming** was another initiative underlined as an approach to a comprehensive gender policy and framework for gender programming and mainstreaming at all levels.

On the hand, the fiscal and monetary policy was designed to tackle domestic revenue mobilization as it was historically low in Rwanda and the fiscal performance generally improved in the post-conflict setting of Rwanda. For instance, from 1994 to 2004 the revenue collection as per cent of GDP grew from 3.6 to 13.9%. The narrow tax base was partially explained by the small formal sector engaged in market production but it is also true that collection still needs to be more efficient. It has also been argued that the increased revenue collection was due to the various institutional and policy reforms in the post-genocide period.

In conclusion, the team challenged the participants to rethink a new approach to aid management in a post-conflict situations. They also warned that poor management of aid in a conflict, or post-conflict situation might lead to the Dutch disease.

#### **4.4.1. Lessons from Rwanda**

The major lessons drawn from the Rwanda case study were as follows:

- Innovations in social capital are an instrument in social reconstruction that impact on post-conflict development;
- Power-sharing models may be instruments of peace and development;
- Aid is good in quantity but may be improved in quality to impact on development fully;
- Remarkable success in peace and development issues can be achieved in a short period of time.

#### **4.5. SRI LANKA CASE STUDY OVERVIEW**

The Sri Lanka case study overview focused on the religious and cultural identities of Sri Lanka. It was pointed out that Sri Lanka is a multi-ethnic, multi-religious society. The Sri Lankan population is made up of Sinhalese (74.6%), Sri Lankan Tamils (12.6%), Indian Tamils (5.5%), Muslims (7.4%) and Burghers. The Sinhalese majority speaks Sinhala and the Tamils and the majority of the Muslims speak Tamil while a minority Muslim population in the South of the country speak in Sinhalese. The Burghers primary language is English. The vast majority of the ethnic groups that reside in and around the city centres are bilingual and can speak English. A small minority of both the Tamils and the Sinhalese are Christian, while

a vast majority of the Tamils are Hindu and a vast majority of the Sinhalese are Buddhist. There are also differentiations within ethnic groups to a lesser degree depending on the geographical roots of the population.

It was indicated that the loose monetary policy enabled a credit led economic boom and GDP growth reached 7.7% in 2006 and 6.8% in 2007, substantially higher than the average 5% growth experienced since the 1980s. In addition, money growth also resulted in inflation increasing substantially, exacerbated by commodity price hikes to peak at 28% in June 2008. As explained in the presentation, the Central Bank reacted by sharply reducing money supply and as a result choked economic performance. The GDP growth in the fourth quarter of 2008 was said to have fallen to 4.3% compared to 7% growth in the 2<sup>nd</sup> quarter. Finally, the volatility of the monetary policy in response to fiscal excesses resulted in volatility in economic performance. After a boom in 2005-2007, this has further been aggravated by the global economic crisis.

#### **4.5.1. Lessons from Sri Lanka**

- Short term employment in reconstruction activities and medium term employment utilizing existing strengths such as agriculture and fisheries can tackle the unemployment problem as a post-conflict management strategy;
- Investment in education and human resources development should be a priority for capacity building;
- Creation of a strong investment climate and reform of labor regulations at a national level to ensure equity and inclusiveness for all citizens are crucial;
- Foreign Aid is crucial in reconstruction and rehabilitation in a post-conflict country.

#### **4.6. SUDAN CASE STUDY OVERVIEW**

Sudan was portrayed to be mired in a fragile peace process combined with conflict and that there exists a complex, multi-layered and over-determined structure of tribal, ethnic, national, social, class, cultural, religious, linguistic and gender divisions. It was pointed out that in 1955/ 56, the main ethnic groups were Arabs (39 %), and Southerners (30%), West Darfur (9%), Beja (6%), West Africans (6%), Nuba (6%), Nubians (3%) and Funj were (1.7 %).

It was asserted that there are 19 main nationalities and 597 “ethnic groups” in Sudan. In this regard, it was also pointed out that there are 115 dialects in which 26 of them are active languages, each spoken by more than 100, 000 people and about 52% of the population are Arabic-speaking while 48% speak other languages. As explained by the discussant, Sudan enjoys religious heterogeneity sustained by sectarian cleavages within Islam which is the religion of the majority population. It was also noted that the State is dominated by Northerners who are Arabs.

Other aspects that characterize Sudan are Arab oil money and the drift towards Islamic fundamentalism, Sharia law and the renewal of war in 1983 led by SPLM/A. Within this situation, Sudan was thrown into the 1989 Islamic Coup and Islamic state – reinforcing Northern hegemony and further excluding other ethnic-national groupings and regions. Fighting erupted in the South, East and West of the country. It emerged that socio-economic changes since 1956 coupled with conflicts and disasters have also resulted in some significant changes in the numerical and demographic weight of the ethnic-national groups in Sudan. Besides, ethnic-national diversities are resilient and have staying power.

At the same time, it was argued that economic liberalization (financial-sector improvements, the creation of stock markets, privatization, legal reforms, the support of think-tanks) has been designed to foster a capitalist, productive class with the confidence, resources, and political clout to anchor a functioning market economy.

In conclusion, it was asserted that while there is no cumulative build-up of democratic governance assets in Sudan, there is still a potential for democratic governance. Sizable segments of the middle class and poor desire to break with the institutions of the past, and democracy is now generating a sustained pressure for institutional reforms underpinning market economy.

#### **4.6.1 Lesson from Sudan Case Study**

- The end of military battles may not mean the end of conflict;
- Federalism may be a solution to regional imbalances;

- Power-sharing arrangements enhance peace that may impact on development.

The workshop activities were concluded on the May 31 2009, with a tour of the National University of Rwanda and a visit to the NUR Genocide Memorial Site at the Ruhande campus and Murambi Genocide Memorial Site in Nyamagabe District of the Southern Province.

## APPENDIX I:

### **SPEECH OF THE GUEST OF HONOUR, HONOURABLE ANASTASE MUREKEZI, MINISTER OF PUBLIC SERVICE AND LABOUR AT THE PEACE AND DEVELOPMENT INTERNATIONAL WORKSHOP – KIGALI, NOVOTEL, 29 MAY 2009**

Excellencies,  
Distinguished Guests from Foreign Countries,  
Project Officials from the World Bank and IDRC,  
Representatives of Rwanda Development Partners  
Government Officials,  
Academicians,  
Members of the Civil Society,  
Ladies and Gentlemen;

It gives me great pleasure to officiate this august International Workshop on Peace and Development here in Kigali Rwanda. Let me use this opportunity to welcome our Foreign Guests to our beautiful Country and to this workshop. I hope you will have time to interact and exchange ideas with your Rwanda counterparts and have a look at the safe and clean Kigali City and Rwanda countryside.

I would also like to take this opportunity to thank McGill University in Canada and the Sponsors, IDRC and the World Bank, to have accepted to hold this important workshop in our country with the good partnership of Rwanda Governance Advisory Council and the National University of Rwanda (NUR). This does not only please Rwanda; it also gives courage and hope to continue looking for durable solutions to peace building in our country and beyond. We look forward to sharing our experience with our friends from Bosnia, Colombia, Lebanon, Mozambique, Sri Lanka and Sudan.

The focus of the project is peace and development. It is my belief and that of the Government of Rwanda that there is no sustainable development without durable peace. We in Rwanda have put exactly that in practice. The Tutsi Genocide of 1994 demonstrated that lack of peace and governance is very costly to development of any country. The costs were human, economic, political and social that are most often not quantifiable.

This is the reason why I am confident that the theme you have chosen for this workshop, **“Democratization, Poverty reduction and Risk mitigation in Fragile and Post-conflict States”**, is very close to what we in Rwanda have attempted to do in the last 15 years of first of emergence, reconstruction and now development.

The conflict in Rwanda that culminated in genocide was caused mainly by a colonial legacy built on divisionism-ethnism, and then fuelled by bad governance in post-independence decades. From the post-conflict period, Rwanda has been observing democratic principles as

well as policies to reduce poverty and to improve welfare of our people without any kind of discrimination. Rule of law, good governance and ruling simply justly, are foundations of a lasting peace. But peace can be easily eroded if there is no improvement in citizen's welfare. Building self-confidence and commitment to development for all is the best way of mitigating risk. This is what we are doing in Rwanda.

Excellencies,  
Distinguished Guests,  
Ladies and Gentlemen,

You will be aware that the genocide is the most abominable experience a country can undergo. In only 100 days, close to 10% of our population perished; one in three was displaced; and infrastructure and the social fabric destroyed. The economy dropped by a half and levels of vulnerability and poverty reached unmentionable proportions. In 1995 more than 77% of Rwandans were classified as poor. Child headed households, Female headed households and thousands in prison in connection with the genocide. All this left Rwanda, Country of "a thousand hills" in connection to its beauty, with a thousand challenges in relation to the conflict.

The first thing that countries may need to learn from Rwanda is hope. From the high poverty line and conflict destructions, Rwanda set out to rehabilitate its economy with national determination and international aid support. Rwandans were repatriated and settled, the economy was refurbished and souls mended. In 15 years Rwanda has virtually caught up with its pre-genocide levels; and is one of the promising countries in Sub-Saharan Region.

Excellencies,  
Distinguished Guests,  
Ladies and Gentlemen,

This should not suggest a miracle. Another lesson that may be drawn from Rwanda is that of focus and vision. Since 1995, Rwanda has undertaken several policy reforms and institutions building deliberately to address the post-conflict shocks, to ensure genocide will not happen again; and to build a sound foundation for a safer future.

You will have time in this workshop to learn more and get details about these. What I would like to point out is that it is not safe, as the concept of the workshop posits, to assume that every good deed mutually reinforces another. Rwanda has defined its priorities in Vision 2020 inspired by His Excellency the President Paul Kagame. We have to use our resources and support aid to meet competing needs through mainly our Poverty Reduction Strategy and programs.

But there is no panacea for the post-conflict development path; and to Rwanda there is still a long way to fulfill our vision. We hope this international gathering provide more inputs from experiences and research findings elsewhere in the world to make our common efforts yield results faster and surely.

Indeed, one of the important qualities of this workshop, and the Peace and Development Project more generally, is that it offers a forum for Southern Countries to learn from each other's experiences in a structured and comparative fashion. Sadly, countries around the world continue to suffer unacceptably high levels of conflict whereas at the same time a number of countries have made varying levels of good progress toward a lasting peace.

The seven cases to be explored here today —Bosnia, Colombia, Lebanon, Mozambique, Sri Lanka, Sudan and Rwanda— represent a range of successes in dealing with the challenges of civil strife. Moreover, each case study is being written by teams of researchers from those countries. Even though the precise decisions making process in each country may differ, as do the national priorities and policies associated with them, the experiences of individual countries can offer important new insights that will help other countries to deal with similar challenges.

Equally important, the project has helped start a dialogue among researchers in Southern Countries that offers the promise of creating Southern perspectives that can influence Northern Countries perspectives.

Part of the dialogue that this project has begun is deliberately intended to allow Southern based research to challenge, in a constructive way, the predominant ways in which Northern Countries view the challenges of peace and development.

Ultimately, the project seeks to use the research that it will generate to improve foreign aid policies as well as to inform the policies of national governments as they attempt to tackle the challenge of achieving peace and development. In this way, it seeks to contribute to more successful efforts at conflict resolution, peace building and development.

Finally, Excellencies, Distinguished Guests, Ladies and Gentlemen,

I would like to thank the IDRC and the World Bank once again and all those who have made this workshop possible. I would like to wish the best to all of you and good deliberations in this workshop.

People build durable peace for sustainable development if they live together, they recognize their diversity, and they clearly work and participate actively for common interests with fair access to public services, to education and health services. Actually, people build durable peace for sustainable development if they share everything, especially the democratic power; and if they benefit from the good fruits of labour productivity translated into economic growth for all.

With humility and dedication, I officially declare this workshop open.

Thank you and God bless all of you.

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## APPENDIX 2: List of Participants

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