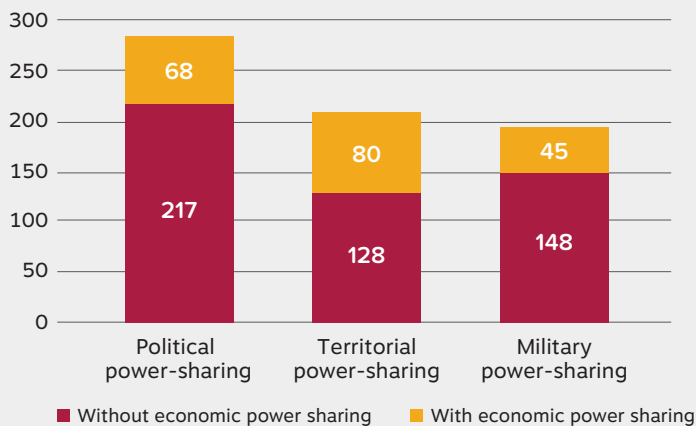


Economic Power-Sharing

Economic inequalities are often at the heart of conflict. Addressing them can be important to ending violent conflict.

Proportion of power-sharing agreements that include economic power-sharing



Economic power-sharing is most often agreed in comprehensive agreements which attempt to provide an overall framework for resolution of the conflict.

Relative proportions of each agreement stage that have economic power-sharing provisions



Economic power-sharing emerging from peace negotiations and agreements has five main forms.

- Political approaches to economic power-sharing, which share power over economic resources and decisions. These can involve specified places for non-state actors or ethnic groups in key ministries, public corporations or economic institutions (e.g. central banks).
- Territorial approaches to economic power-sharing, which involve forms of 'fiscal federalism' that go along with territorial power-sharing.
- Specific 'wealth-sharing' arrangements for natural resources connected to the conflict (diamonds, oil, or minerals).
- Other forms of economic power-sharing can take the form of land reform, payment of salaries to demobilised combatants, joint distribution of reconstruction funds, and reparations.
- Economic power-sharing arising because parties agree to share power over resources which cross the new borders created by the peace agreement, such as forests, or fisheries.

Recommendation 1

Peace process design should specifically address the relationship between economic resources and conflict.

Issues that must be considered include:

- How have questions of distribution of wealth and inequality been connected to the conflict?
- Whether there are significant natural resources at stake, which the parties are divided over addressing.
- Whether either party has put economic power-sharing on the peace process agenda.
- Whether the political or territorial power-sharing negotiations have direct implications for post-conflict management of natural resources.
- Whether civil society is advocating for natural resources to be addressed as part of any resolution of the conflict." (Dawes, 2016).



Recommendation 2

Political disputes over natural resources ideally should be approached as technical problems which can be resolved outside of talks.

Mediation support can help re-frame economic power-sharing debates in ways which help manage the tension between the political drivers of economic power-sharing design, and the need for functional and accountable economic institutions.



Recommendation 3

International supporters of peace processes should offer combined economic-conflict expertise.

Organisations involved in development assistance and peace promotion efforts, should have organisational capacity and modes of workings which:

- Enable the creation of joint analysis teams of economic development and conflict advisors.
- Ensure that those involved in diplomatic and mediation efforts have access to technical economic expertise for matters such as fiscal devolution.
- Ensure that experts in economics and fiscal governance understand the ways in which other political imperatives relating to the causes of conflict will drive negotiations.
- Understand that sometimes the 'best' economic governance arrangements have to give way to what measures the parties can agree to.



See publications at: www.politicalsettlements.org/publications-database

In particular Bell, C. (2018). *Economic Power-sharing, Conflict Resolution and Development in Peace Negotiations and Agreements* (No. PA-X Report, Power-Sharing Series). Edinburgh: Global Justice Academy, The University of Edinburgh. www.politicalsettlements.org/wp-content/uploads/2018/07/2018_Bell_PA-X-Economic-Power-Sharing-Report.pdf

Dawes, M., 2016. *Considerations for Determining when to Include Natural Resources in Peace Agreements Ending Internal Armed Conflicts*. In Bruch, Muffett and Nichols (eds.). *Post Conflict Peacebuilding and Natural Resource Management: Governance, Natural Resources and Post-Conflict Peacebuilding*. London: Earthscan, Routledge [online].