



PA-X REPORT: POWER-SHARING SERIES

ECONOMIC SERIES



# Economic Power-sharing, Conflict Resolution and Development in Peace Negotiations and Agreements

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This research draws on the PA-X Peace Agreement Database ([www.peaceagreements.org](http://www.peaceagreements.org)), a database of all peace agreements at any stage of the peace process from 1990 to 2016. The database is fully searchable and supports both qualitative and quantitative examination of peace agreements.

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# Executive Summary

## We define economic power-sharing as:

Sharing between military-political protagonists and groups at the heart of the conflict, over the generation, collection, and distribution, of the state's economic resources, with the aim of achieving fairness between groups in ways that are intended to address the political, social and economic divisions of the conflict.

Economic power-sharing is arrived at in peace processes as part of the broader political negotiations as to how to end the conflict, rather than an exercise in economic reform. The economic aspect of power-sharing arrangements is designed to accommodate the competing interests of conflict parties to financial resources. Like other forms of power-sharing it aims to open up inclusion in decisions over the management and use of the state's resources, to groups that have previously been excluded from power in order to persuade them to end the conflict. At the same time, peace processes attempt to create a longer-term social contract, capable of delivering public goods to the people of the country and sustaining peace. An economy related to the conflict will have to be transformed over time.

This research report argues that there is a tension between the group accommodation ambitions of economic power-sharing, and economic reform focused on creating a broader social contract capable of delivering public goods. For peace and development, war economies and modes of controlling resources will have to be replaced by other forms of economic management and accountability. The challenge in peace negotiations is to persuade the parties to the conflict that they have something to gain from new economic arrangements, sufficient to persuading them to give up forms of privatised economic power, exercised on behalf of one group only. This report reviews when and how peace agreements achieve this, and provide for economic power-sharing, including sharing of access to and revenue from natural resources at the heart of the conflict. We examine how economic power-sharing arrangements emerge from political negotiations focused on ending violence and the ways in which they aim to distribute economic wealth with a view to ending the conflict. We consider how peace negotiations shape economic power-sharing and how this in turn constrains attempts to provide for good economic governance, and to ensure a new more inclusive social contract. We provide recommendations as to how to manage this tension.

We also suggest that radical steps towards fairer distribution of state resources, at a point where violence is incipient or sporadic rather than institutionalized, could play a role in helping to prevent conflict.

The research report forms one of a series of PA-X reports on power-sharing in peace processes, drawing on the data of the PA-X Peace Agreements Database ([www.peaceagreements.org](http://www.peaceagreements.org)). Alongside this report, the series addresses political power-sharing, territorial power-sharing, and military power-sharing.

# Key Findings

## Economic power-sharing can be an important response to conflict.

Economic power-sharing is not unique to conflict settings. Many countries have forms of economic power-sharing, in particular where they have devolved power to sub-state units. So called 'fiscal federalism' involves sharing of economic management and decision-making between central state institutions and those of sub-state units.<sup>1</sup> Countries with significant natural resources also often have special mechanisms for allocating these resources, which can prioritize the territories in which the resources are found, or target particular areas of socio-economic need.

Issues of economic distribution are particularly important in conflict-affected states due to a well-established link between wealth inequalities and the onset and durability of violent conflict. As a corollary, economic power-sharing and more inclusive management of natural resources often needs addressed as part of peace processes, and can have conflict resolution functions.

Economic power-sharing also carries some risks in terms of sustaining or renewing conflict, for example, by resourcing armed actors in ways which enable them to renew or sustain conflict, or by providing unintended incentives to new actors to take up arms.

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

### 1. Political approaches to economic power-sharing, which share power over economic resources and decisions.

Power-sharing is achieved by creating forms of joint involvement in economic management and decisions, including specified places for non-state actors or relevant ethnic groups in:

- ▶ Key ministries
- ▶ Public corporations
- ▶ Institutions responsible for financial management (for example Central Banks)

<sup>1</sup> The term fiscal federalism is somewhat confusing as it deals with all forms of devolution of power and not just situations defined as classically 'federal'.

2. Territorial approaches to economic power-sharing, which involve forms of ‘fiscal federalism’ that go along with territorial power-sharing.

Power-sharing is achieved by splitting power to different territorial levels in which particular identity groups predominate.

3. Specific arrangements for natural resources connected to the conflict, which create mechanisms for sharing power in their management, or in the redistribution of wealth gained from them.

Particular, and often distinctive, wealth-sharing arrangements are put in place – political or territorial or both – for the management of key natural resources.

4. More ‘invisible’ economic power-sharing which meets the economic needs of groups whose well-being is critical to stability and economic development.

Not always treated as economic power-sharing, peace agreements often have other measures which go towards sharing or redistributing power over economic resources, such as:

- ▶ Land reform provisions addressing rural inequities and marginalized communities
- ▶ Demobilization, demilitarization and reintegration (DDR), payment of salaries to former combatants
- ▶ Joint distribution of reconstruction funds
- ▶ Reparations to individual victims or war-torn communities

5. Residual joint resource management, which allows for ongoing joint management of cross-border economic issues post secession or similarly absolute territorial division.

Secession or similarly extensive grants of autonomy lead to agreements focused primarily on how to divide assets and liabilities permanently. But, at the same time power-sharing mechanisms are often created between old and new state, or between state and sub-state entity, to deal with cross border management of resources that cross the border (water resources, forests, or mineral deposits), or postponed issues such as how natural resources close to or on the border will be managed.

## Recommendations

Economic power-sharing is agreed primarily to manage conflict between the key parties to the conflict over the management, use and distribution of resources. The focus on compromise can lead to tensions between using the grant of economic power to 'buy in' violent actors to the peace process, and the need to reconstruct principles and institutions for good economic governance in the longer term. The following recommendations flow from our findings and are focused on how to address this tension. Some are obvious and likely to be in place in many organizations, others less so.

### 1. Conflict analysis should specifically address the relationship between economic resources and conflict

Not always treated as economic power-sharing, peace agreements often have other measures which go towards sharing or redistributing power over economic resources, such as:

- ▶ How have questions of distribution of wealth and inequality been connected to the conflict
  - To what extent have questions of wealth distribution and inequalities lain at the heart of the conflict, as a genesis and driver of conflict?
  - To what extent are they consequences of conflict which revolves around other matters?
- ▶ 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

2. International supporters of peace processes should have sufficient organizational capacity to ensure joint economic-conflict management approaches.

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

- ▶ Enable the creation of joint analysis teams of economic development and conflict advisors, capable of combining analysis on the political dynamics of economic power-sharing and the relationship of those dynamic to conflict, with technical expertise on the type of fiscal management options which may be (a) workable and (b) have a possibility of developing into sound economic institutions and (c) deal with issues such as lack of trust between the parties
- ▶ 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 good fiscal governance, with development priorities, are appraised of the ways in which other political imperatives relating to the causes of conflict – for example identity claims of exclusion – will drive the parties' incentives and shape peace agreement outcomes in ways that will need supported;
- ▶ Are able to make cross-departmental political decisions as to peace and development priorities, if difficult choices have to be made between the forms of economic power-sharing that will bring an end to the conflict, and ideal forms of management of economic resources which will deliver good economic governance.

3. Mediation support aimed at helping re-frame economic power-sharing debates and peace agreement design 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.

Economic power-sharing is often designed to try to move from zero-sum 'ownership' of state resources, to shared use of resources between the main groups at the heart of the conflict. This report indicates several different ways in which zero-sum negotiations may be able to be reframed in an attempt to create a zone of compromise during peace negotiations.

## Reframing political disputes over economic resources as technical problems, and strategically sequencing talks to manage technical detail outside them.

Peace agreements vary hugely in their specificity and detail. However, even the most detailed peace agreements do not deal fully with all the economic issues. In one of the key policy contributions on the area, Haysom and Kane (2009) suggest that difficulties in the negotiation process can often be assisted by re-framing clashes over economic power-sharing positions as technical issues with technical solutions. The following mechanisms of support to the peace process may be useful to this re-framing:

- ▶ Provision of technical economic and fiscal expertise to the talks process
- ▶ Provision of technical training to the parties in the talks
- ▶ Advice on workability of the parties' proposals in terms of their complexity and anticipating where trust will be needed for a mechanism to work and may be lacking
- ▶ Ensuring awareness of how international standards on corruption and transparency (for example, with relation to extractive industries), may come to bear on the arrangements being negotiated.

## Strategic Sequencing

Often framework peace negotiations and peace agreements are not the best place to deal with the detail of how to share the management and distribution of resources. Moving parties from fixed positions focused on how they will be able to control resources post-agreement can be assisted by attention to when the detail of economic arrangements is discussed in peace processes. It may be necessary to sketch out a process of economic agreement that begins with agreed principles, followed by agreement to a framework that can be developed over time, postponing and delegating discussion of detail to later processes. The UN Mediation Guide on Natural Resources (2009) suggests that natural resource issues should be understood and approached gradually, in terms of the need for long-term management of the issue, rather than an issue that is susceptible to immediate solutions. However, when and how these issues are sequenced in peace talks is not always a mediation choice, but will be driven by the parties' economic 'red lines' in negotiations, as linked to the broader political negotiations. Smart process sequencing may therefore involve persuasion by mediators.

## Increased attention to less visible ways of addressing the distribution of economic power.

Sometimes issues such as wealth-sharing and access to power can be dealt with through provisions of the peace agreement that do not ostensibly deal with economic power-sharing at all, but are 'invisible':

- ▶ DDR provisions, for example, can provide for stipends and payments to soldiers and combatants which can alleviate the need to give access to economic power to armed groups or army generals to ensure that this happens
- ▶ Agreements can make provision for development and development commitments, which aim to tackle the distribution of wealth, framed in terms of 'social justice' rather than economic power-sharing
- ▶ Agreements can establish power-sharing together with an agreed set of governmental priorities, which international donors can then coalesce around, which also operate to constrain those at the heart of the new economic and political power-sharing arrangements
- ▶ Agreements can provide extensively for land reform, as a form of long-term solution to equal access to wealth
- ▶ Although we found no evidence of it being used in peace agreements, the little explored question of using natural resource wealth for 'cash transfers' to local populations may also hold some potential in peace processes

## Ensuring marginalized communities whose socio-economic needs are invoked by the parties have access to influence talks.

Particular local needs may point to infrastructure, business support, and welfare assistance needs, which are different from those being addressed by the parties in high-level negotiations but may be useful for the peace process to address. Marginalised communities and civil society may need processes of support so that they can be formulated and connected in ways that can be placed on the negotiation table, to both inform and challenge economic proposals made.

### 4. Anticipating implementation risks, and mitigating where possible.

The following issues are some of the most common pitfalls:

- ▶ If the agreement does not provide sufficient incentive and security guarantees through its economic power-sharing arrangements, the agreement in its entirety may fail to be implemented, with severe conflict and development consequences;
- ▶ If implemented, political economic power-sharing provisions can strengthen conflict-parties economically and politically to renew conflict, or even incentivize new groups to use violence in pursuit of 'a share of the pie';
- ▶ Territorial economic power-sharing tied to territorial divisions of power, can cause new grievances around inequality, for example of people in other regions, or majority populations at the centre, who feel they are losing out to a new prioritization of a conflict-affected region.

# Part I:

## Baseline Understandings of Wealth-Sharing

### What is wealth-sharing?

At its simplest, wealth-sharing as a term refers to: financial arrangements for the state that shares its wealth – including fiscal revenues and natural resources – among its citizens. However, in peace processes wealth-sharing has more specifically come to denote financial arrangements that:

- ▶ Involve the key actors in the conflict in shared structures for the governance of natural resources and other economic matters, and/or
- ▶ Provide formulae for distributing resources which re-calibrate how wealth is distributed between groups whose political or ethnic/national divisions were at the heart of conflict, so as to address the grievances fuelling the conflict.

## Definitions of 'economic power sharing':

A group's ability, as shown by their resources and capabilities, to pursue their own economic interests at the expense of another group's ability to do the same, captured by key parameters:

- ▶ capital transfer to increase development; capital transfer to create public goods;
- ▶ authority over economic policy or economic resource is newly shared;
- ▶ public sector opportunities are expanded to previously excluded groups;
- ▶ private sector economic opportunity is increased for a previously disadvantaged group. (Balgringer, 2016)

A way of managing natural resources so that access and control over them is more evenly distributed across a population. (Binnigsbø & Rustad, 2012)

The distribution of power among groups of economic resources controlled or mandated by the state (Hartzell and Hoddie, 2003)

Whether resources are redistributed in favour of the disadvantaged group, and whether the text of the agreement specifies particular redistributive policies (which can range from complete to incomplete) (Matte s and Savun, 2009)

The announced inclusion of rebel representatives in state-owned companies and in commissions regulating certain natural resources or sectors of the country's economy. (Ottman and Vullers, 2014)

## What is economic power-sharing?

The term 'economic power-sharing' is sometimes used, and this term largely covers the same measures as wealth-sharing.

Wealth-sharing as a term tends to be used in connection to the control and distribution of lucrative natural resources, including questions of ownership.

Economic power-sharing tends to refer to the control and distribution of economic power and resources more generally. Wealth-sharing perhaps focuses attention more on the outcomes of how wealth is distributed as in who benefits from the wealth, while economic power-sharing focuses attention on the process and who has power over the distribution of the wealth. However, both terms can be used in a distribution-focused or an outcome-focused way. In this report we will regard the two concepts as largely synonymous. Both wealth-sharing and economic power-sharing connote a need for resources to be fairly distributed, particularly in pluralist societies where group divisions exist. For the most part we will use the term 'economic power-sharing', defined as:

**Economic power-sharing:** Sharing between military-political protagonists and groups at the heart of the conflict, of the power over the generation or collection, and the distribution, of the state's economic resources, with the aim of achieving fairness between groups in ways that are intended to address the political, social and economic divisions of the conflict.

## What sorts of conflicts and peace processes are we talking about?

### Intrastate conflict (arising mainly WITHIN states)

For the most part our discussion centres on conflicts that arise mainly within states - so - called 'intrastate conflicts' (although sometimes within transnational and regional dimensions). However, it is worth noting that sometimes regional or 'neighbouring' states produce agreements to accompany and support intra-state agreements, which can place the arrangements within the state within a broader set of inter-state commitments on economic cooperation. For example: the [Oslo Accords between Israel and Palestinians](#) were accompanied by an [Israel-Jordan Agreed Common Agenda, 14 September 1993](#), and the [Washington Declaration, 26 July 1994](#), and the [Treaty of Peace between the State of Israel and the Hashemite Kingdom of Jordan, 26 October 1994](#), in which they culminated, all involved commitments to cooperation over water, and other economic issues.

### Interstate conflict (arising mainly BETWEEN states)

Although we do not deal with it further here, it is also worth noting that in 'pure' interstate conflict, between two states, particularly those involving border disputes, new forms of cooperation and even joint decision-making over wealth and natural resources (particularly those that cross-national borders), are also often established. For example, water and navigation treaties which addressed the border conflict between Peru and Ecuador, provided for joint control over cross-border waterways in the Acta Presidencial de Brasilia, 1998).

## Part II: Economic Power-Sharing in Practice

### When and why do peace settlements provide economic power-sharing?

In practice peace settlements centrally deal with the allocation of political, territorial, economic and military power. It bears emphasis that they do so, not as exercises in establishing good government or good economic management, but as hard-bargained attempts to reach a political and military compromise between those at the heart of the conflict to enable them to stop fighting. Our review of economic power-sharing arrangements in all peace processes from 1990 to 2016 indicates that economic power-sharing is turned with different goals and motivations in different peace processes. When and how economic power-sharing matters arise and are dealt with, is dependent on the following political factors:

#### The political and territorial power-sharing arrangements at the heart of 'the deal' between the parties.

Economic power-sharing arrangements are closely linked to the political and territorial divisions of power institutionalized by the peace settlement. Key to how economic power is dealt with are whether:

- ▶ Political power is to be shared or split within a unified national framework through forms of joint economic governance, in which case the economic power-sharing arrangements will usually be agreed as part-and-parcel of the broader political 'deal'
- ▶ The arrangements are to be temporary, for instance as an interim transitional administrative period to pave the way to elections (in which case the arrangements may be time-limited), or contemplated as part of an indefinite ethno-national power-sharing settlement (in which case they establish indefinite economic governance)

- ▶ Political power is to be shared or split by devolving power on a territorial basis, through forms of sub-division such as federalism or autonomy, in which case economic power-sharing will be institutionalized through agreement as to forms of fiscal federalism
- ▶ Power-sharing is to be achieved through permutations of both political and territorial power splitting, which will involve mixed political and territorial formula for economic power-sharing

### The role of economic power-sharing as 'security guarantee'.

Whether and how economic power-sharing is to operate as a 'security guarantee', understood by one of the parties as critical to their survival and incentives to sign a peace agreement, in particular, how they can shore-up their political base once they enter a ceasefire.

### The ways in which economic inequality was understood to be an issue at the heart of the conflict.

Where the focus of peace negotiations is to establish political power-sharing arrangements, economic wealth-sharing will be dealt with as part of the divvying up of power in political institutions, by ensuring split or shared control over key state ministries, states corporations or resources. Where territorial power-sharing is the focus, with devolution of power to areas in which armed opposition groups or their ethnic kin are present, then territorial devolution of power will generate economic power-sharing responses in the form of fiscal devolution and equity between the centre and the periphery.

## Whether significant natural resources and their division are at stake.

In either centralized states with national conflicts or conflicts between a centralized state and a sub-state group, the presence of significant natural resources will trigger specific negotiations over how these are to be controlled and the wealth they generate distributed. Where natural resources are on the border of areas which are to get a new devolved power or even secession, issues of 'ownership' of natural resources is also likely to be an issue of ongoing tension and negotiation. Where natural resources are at stake, Dawes (2016:124), suggests that seven factors influence whether the peace negotiations will deal with the issue:

- ▶ At least one of the parties to the conflict viewing natural resource issues as on its agenda
- ▶ At least one of the parties to the conflict excluding natural resource issues from its agenda
- ▶ At least one of the parties to the conflict having an economic interest in a certain natural resource
- ▶ A political or territorial power-sharing arrangement discussed by the parties that will have direct implications for the post-conflict management of natural resources
- ▶ An active civil society involved in the peace process and advocating for addressing natural resource issues
- ▶ The security situation existing at the time of the mediation process
- ▶ The humanitarian situation existing at the time of the mediation process

## What different types of economic power-sharing arrangement result?

Review of the provisions of all peace agreements from 1990 to 2016, indicates five key different types of economic power-sharing which tend to be negotiated, sometimes in multiple permutation.

### Political approaches to economic power-sharing.

This involves peace settlements that focus on splitting power over economic resources and decisions, as part of a wider political power-sharing agreement.

Where peace agreements provide for the accommodation of state and non-state actors in political power-sharing arrangements, either in the central political institutions of the state, or indeed in shared political institutions at the sub-state level, this can be accompanied by providing when and how the parties should specifically share power over economic resources. This sharing can be achieved by creating forms of joint involvement, including specified places, for non-state actors or relevant ethnic groups in:

### Key ministries relating to wealth distribution.

An example is [Liberian The Accra Agreement, 18 August 2003](#), which provides specified lists of allocations of ministries and membership of public corporations at the level of national government (see Appendix).

### Key public corporations.

The [Accra Agreement](#) mentioned above also provides for group membership of public corporations, which allocates corporations not just to warring factions, but also to members of civil society. In Angola, the [Memorandum of Peace and Understanding in Cabinda Province](#), which provides for significant autonomy to Cabinda Province to address conflict there, also provides for economic power-sharing in the form of allocating public corporations to erstwhile armed actors, as part of an attempt to incorporate the armed state non-actors in the new provincial government as a way of demobilizing the conflict (see appendix). In Burundi, the [Accord de Partage de Pouvoir au Burundi](#) provides for a similar balance, but for the relevant ethnic groups rather than their representatives:

[Burundi, Accord de Partage de Pouvoir au Burundi, 6 August 2004](#)

Page 3, Article 20:

'Reorganisation of state enterprises will be ethnically balanced, using the 60/40 ratio of Hutus and Tutsis as in other state institutions, taking into account all of the actors and competencies in Burundian society'.

Key institutions responsible for financial management (e.g. Central Banks, special democratic institutions).

In Afghanistan, for example, the [Afghan Peace Accord \(Islamabad Accord\) 1993](#) provides (Page 3, 7): 'An All Party Committee shall be constituted to supervise control over the monetary system and currency regulations to keep it in conformity with existing Afghan banking laws and regulations.' The [Dayton Peace Agreement \(General Framework Agreement for Peace in Bosnia and Herzegovina\)](#), in Bosnia and Herzegovina, 1995 (Page 72, Annex IV, 2) provided for a Central Bank whose first Governing Board shall consist of a Governor appointed by the International Monetary Fund, after consultation with the Presidency, and three members appointed by the Presidency, two from the Federation (one Bosniac, one Croat, who shall share one vote) and one from the Republika Srpska, all of whom shall serve a six-year term. The Governor, who shall not be a citizen of Bosnia and Herzegovina or any neighbouring state, may cast tie-breaking votes on the Governing Board'.

## Territorial approaches to economic power-sharing.

In conflicts involving a sub-state region, peace settlements often focus on forms of sub-national resource allocation and fiscal devolution as part of a wider territorial power-sharing arrangement.

Where the conflict is sub-national and clear delimitation of how resources will now be shared between centre and periphery is a key part of the deal, and understood to be necessary to redress the underdevelopment of a region as a key driver of conflict. The territorial power-sharing arrangements can involve one or both of the following:

- ▶ National power-sharing whereby power is shared between the centre and the periphery and
- ▶ Sub-state power-sharing whereby power is shared between groups at the sub-state level, perhaps as a way of administering a national fiscal devolution in ways that take account of sub-state divisions that were also part of the conflict.

The economic dimension of territorial power-sharing arrangements takes different forms in different conflicts, and peace agreement provide very different levels of specificity in how they provide for fiscal arrangements. The following is a grouping of the main types of arrangement and illustrates differences of detail:

### Broad commitments to socio-economic justice and fair economic distribution, without much detail.

For example the [Somali Agreement between the Federal Government of Somalia and Jubba Delegation, 2013](#) provided that (Page 3, Article 2 On the Management of Federal Institutions and Infrastructure) 'The revenues and other resources generated and accruing from the Kismayo Airport and Kismayo Seaport shall be managed in a prudent, transparent and accountable manner'; and that 'The revenue and other resources generated and accruing from the Kismayo Airport and Seaport shall be exclusively utilized, invested and disbursed on the priorities of security, service delivery and institutional-building of the Jubbas (sic).'

## Specification of forms of fiscal devolution.

Which specify how the periphery is to contribute to national revenues and/or how national wealth is to be distributed to the periphery as part of a broader set of arrangements for territorial division. For example, Agreements in Bangladesh ([Agreement between the National Committee on Chittagong Hill Tracts Constituted by the Government and The Parbattya Chattagram Janasanghati Samity, 1997](#)) and Darjeeling (India) ([Memorandum of Settlement, 2005 and the Memorandum of Agreement on the Gorkha Territorial Administration, 2011](#)), provided for detail of how funds would be devolved from the centre, and the parameters of the fiscal devolution arrangements (see further Appendix). In Bosnia and Herzegovina, similar provision was made in the [Dayton Peace Agreement 1995](#).

[Colombia, Final Agreement to End the Armed Conflict and Build a Stable and Lasting Peace, 24 November 2016:](#)

### 1.1.10 (Page 21):

'The National Government, in dialogue with the various communities and taking into account the principles of well-being and quality of life and participation in the Comprehensive Rural Reform, will promote access to land and the planning of its use in the PEZs, providing support for development plans of the already existing zones and of those to be set up in response to initiatives of rural communities and organizations deemed to be representative, in such a manner as to comply with the aim of fomenting the small-scale farmer economy, contributing to the closure of the agricultural frontier, and boosting food production and the protection of Forest Reserve Areas. Active participation on the part of communities - men and women - living in the PEZs in the implementation of these development plans will be encouraged.'

### Sectional or localized development plans, with new institutions.

The recent Colombian Peace Agreement with the FARC ([Final Agreement to End the Armed Conflict and Build a Stable and Lasting Peace, 2016](#)) provides for incredibly detailed provision on local development with an element of power-sharing between local communities and central government, and among different interest groups at the local level. The provision includes the establishment of new 'Peasant Development Zones':

National and regional development programmes (DPTFs) are also provided for, all with copious provision on the forms of balance involved and the detailed agendas of socio-economic development, the full scope of which is beyond this paper to document. However, these arrangements have precedent in earlier peace agreements in Colombia which attempted to couple commitments with left-wing armed guerrillas who were unlikely to secure much national political participation, with commitments to participate in new forms of local development plan. Providing access to development decisions, provided access to power to influence the economic decisions most affecting their areas, in a context where input to national decisions was unrealistic in terms of the likely political outcomes of participating in non-violent political activities for smaller guerrilla groups.

The much earlier [Chapultepec Agreement, 1992](#) in El Salvador provides for a more sectoral approach, with a new Forum for economic and social consultation, 'in which representatives of the Government, labour and the business community shall participate on an equal footing for the purpose of working out a set of broad agreements on the economic and social development of the country for the benefit of all its inhabitants.' (see further Appendix for full provision).

Specific arrangements for natural resources. That is, peace settlements which focus on shared power over resources most connected to the conflict.

A specific agreement to an allocation of power over resources between the parties to the conflict is necessary when:

- ▶ there are significant natural resources at stake; and/or
- ▶ issues of access to, distribution of, and economic benefit from resources, are a key conflict driver (for example, conflicts in countries with significant oil fields, or diamond mining has understood to be linked to the economic drivers of conflict).

Again, how sharing of these resources is provided for depends on the territorial and power-sharing arrangements agreed to try to end the conflict. These arrangements may be put in place as part of an attempt to permanently settle control over natural resources, or as part of an interim transitional arrangement agreed between the main protagonists to the conflict which typically contain forms of political power-sharing which would be undermined if there was no clarity over key natural resources. For example, the [Naivasha Agreement, 2005](#), contained a number of different lengthy annexes with very detailed provisions on economic power-sharing and wealth-sharing regarding natural resources, to govern a five year period (after which there was to be a referendum on independence).

Post-referendum and secession, conflict within South Sudan also dealt with the distribution of natural resources providing general principles, and detail on resource management (see [Agreement on the Resolution of the Conflict in the Republic of South Sudan, 2015](#), Appendix).

## More 'invisible' economic power-sharing

Not always treated as economic power-sharing, peace agreements often have other measures which go towards sharing or redistributing power over economic resources.

These include:

- ▶ **Land reform provisions**

providing for different rules of ownership and control. The peace agreement in Guatemala, for example, included significant land reform provisions and provision for indigenous use of land.

- ▶ **Joint involvement in distribution of donor funds:**

External funders of post-conflict reconstruction sometimes impose forms of conditionality which require joint cooperation across the conflict divides, to distribute the funds. For example, EU Peace and Reconciliation monies in Northern Ireland, required joint partnerships to be formed to distribute the monies, which pushed for the bodies to represent different constituencies – political, business and civil society.

- ▶ **Reparations, which when communal, involve at least in small part, a mechanism of resource redistribution:**

These can target infrastructure in particular communities affected by atrocity.

- ▶ **Individualized measures which affect the social well-being of particular groups:**

For example, DDR provision of salaries to demobilizing former combatants; individual or collective reparations for victims; provision for minority business-owned enterprises.

Residual joint resource management, in peace settlements focused on secession or similar grants of autonomy where joint management of economic issues is needed to deal with cross-border resources (forests, rivers, mineral deposits), or as a transitional matter.

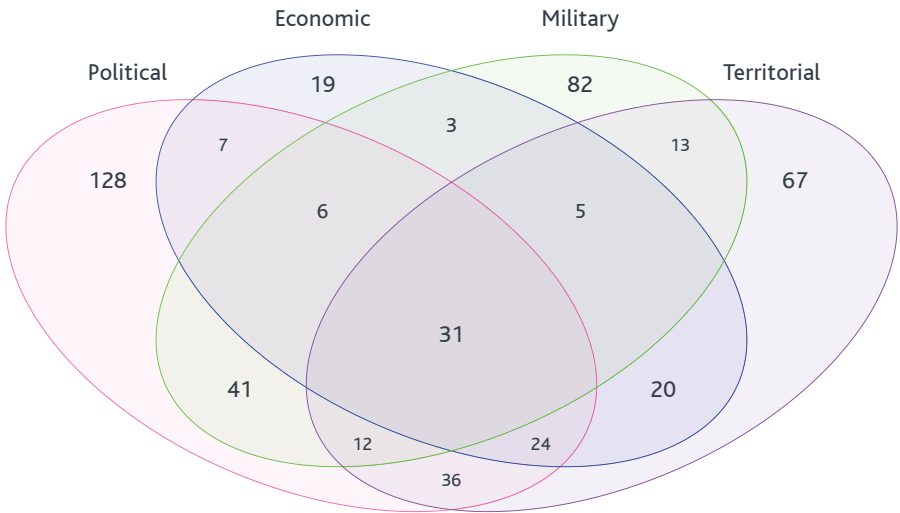
Where there is secession or an equivalent form of autonomy (secession in all but name), essentially different economies are established. The economic provisions of peace agreements largely deal with how the economic goods and financial governance of a unitary state are to be split and transferred. However, division of the central state into two states or a centralised state and an autonomous region, often leaves some sub-set of residual economic issues needing a shared approach to management. These issues can arise from the need for joint management of cross-border issues and resources, or to ensure continuity of financial management during the transition period and for some years after. While the focus of the peace agreements establishing secession or autonomy is separation and untangling of economic governance, inevitably some provisions establish new vehicles of cooperation or even of economic power-sharing.

A detailed example can be found in the [Israel/Palestinian Declaration of Principles \(Oslo Accords\), 1993](#) (see Appendix), which had copious economic provisions dividing assets and liabilities between Israel and the Palestinian authority, but also provided for areas of necessary cooperation. In Sudan, a series of agreements established for the separation of North and South Sudan provided for the two states and division of assets and debts, but also established new shared economic arrangements, such as a Joint Ministerial Committee on Trade Relations ([Agreement on Trade and Trade Related Issues between Sudan and South Sudan, 2012](#)), and a shared Central Bank. In the Philippines / Mindanao, a series of power-sharing agreements put in place territorial power-sharing in the form of robust autonomy arrangements for Mindanao, which included detailed provision on allocation of resources, and also separately delineated areas where 'economic power-sharing' needed to be used, for example with regard to maritime zones and management of Forestry. See for example, On the [Bangsamoro Waters and Zones of Joint Cooperation, Addendum to the Annex on Revenue Generation and Wealth-sharing and the Annex on Power-sharing, 2014](#)).

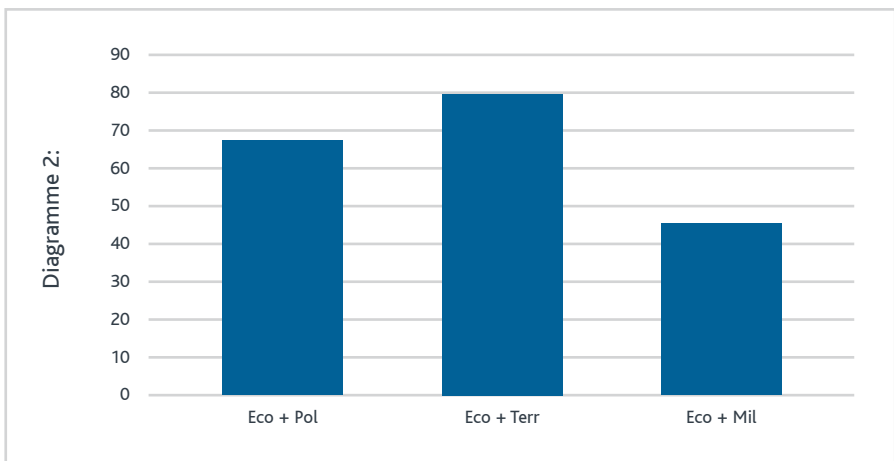
## When and how does economic power-sharing sit with other forms of power-sharing (political, territorial, military)?

The Venn Diagramme (1) illustrates the complexity of when different forms of power-sharing go together. In short there are no clear patterns that have some explanatory value. However, it is notable that a minority of economic power-sharing arrangements are instituted without forms of political and territorial sharing of power: only 19 agreements. Similarly, very few agreements provide shared power across all four types of power-sharing (reckoned by Hartzell and Hoddie (2003, 2007)) to be the most effective in terms of peace duration): only 31 agreements provide for all four types.

Diagramme 1:  
Frequency of powersharing combinations in peace agreements, 1990-2015



Economic power-sharing is most commonly found in conjunction with territorial power-sharing, see Diagramme 2:

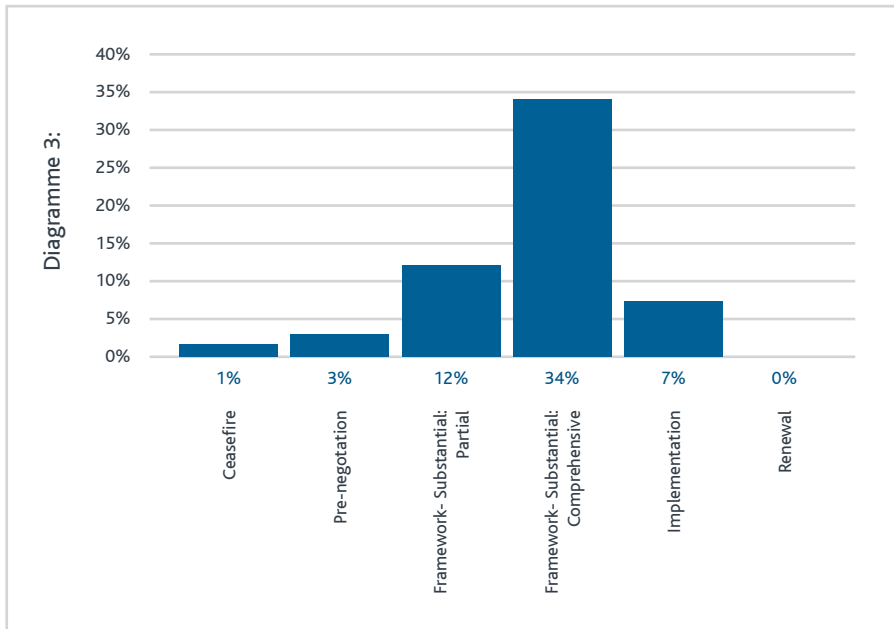


**At what stage of peace process does economic power-sharing tend to be agreed?**

When and how are wealth-sharing agreements reached? In our data we have split agreements into three main stages:

- ▶ Pre-negotiation agreements  
(how to get to talks or when and how to have a ceasefire)
- ▶ Framework agreements  
(partial and comprehensive attempts to settle key conflict issues)
- ▶ Implementation agreements

In terms of economic power-sharing provisions, 14% are at the 'pre-negotiation' stage, interestingly 2% of provisions were included in ceasefire agreements, and 19% at the 'implementation' stage, meaning that most of the provisions - 65% of provisions - are negotiated in framework substantive peace negotiations and agreements. Some 39% of these were partial peace agreements, and 26% were comprehensive peace agreements, of which eight were 'peace agreement constitutions'. See Diagramme 3.



## When and how do economic power-sharing provisions also involve international actors in the mix?

Peace agreements sometimes also provide for economic power to be shared not just between the warring actors, but with international actors, who can be brought into institutions normally thought of as domestic institutions, as part of the power-sharing formula. See for example, Central Bank provision in Bosnia Herzegovina (which provided for Central Bank membership balanced between Serbs, Croats and Bosniacs, and also internationals) (See further our PA-X Research Brief (Economic Series): Following the Finance in Peace Agreements, 2018).

## When are economic power-sharing provisions accompanied by any treatment of corruption?

As we will see, research has suggested that economic power-sharing arrangements can be particularly vulnerable to corruption. Over 100 peace agreements between 1990 and 2016 reference economic power-sharing (116) and 125 reference corruption. Only 31 agreements reference economic power-sharing and corruption. However, some of these agreements link the two. (Source: PA-X Peace Agreement Database).

## Corruption Provisions: Examples

[Comoros: Agreement on the Transitional Arrangements in the Comoros \(Maroni Agreement\), 2003](#): In the Comoros islands, there were agreements resolving a secessionist dispute by establishing a Union of the Comoros, and fairly detailed provisions were provided for economic power-sharing among the islands. At the same time, the parties set up a 'Harmonisation Commission', as a 'mechanism responsible for verifying the accuracy and transparency of the expenditures of the Union and the Autonomous Islands during the transitional period;' In this way they attempted to reduce the types of incentives to corruption identified by Haaß and Ottman (2015).

[Liberia: Peace Agreement between the Government of Liberia, the Liberians United for Reconciliation and Democracy \(LURD\), the Movement of Democracy in Liberia \(MODEL\) and the Political Parties \(Accra Agreement\), 2003](#): Alongside extensive economic power-sharing this agreement allocated ministries and public corporations to warring factions, provided for mechanisms for a 'Governance Reform Commission to work on good governance, and a new Contract and Monopolies Commission (CMC) to provide for transparency. Each of these bodies had specified membership across conflict divisions including, for example, in the case of the CMC, "five members appointed by the Chairman, on the approval of the NTLA (National Transitional Liberian Authority) from the broad spectrum of society, who may or may not be technocrats. It also provided that 'The members of the CMC shall be assisted by independent national and international experts' (Page 13, Part Eight Political Issues, Article XVI Establishment of a Governance Reform Commission, and Article XVII Contract and Monopolies Commission, subsection 3a).

[Libya: Libyan Political Agreement \(Sukhairat Agreement\), 2015](#): Provided for governing principles for wealth-sharing, but also for transparency and anti-corruption.

## Part III: How Effectively does Economic Power-Sharing Work?

What does the literature tell us about how economic power-sharing arrangements work in practice?

### Are wealth-sharing or economic power-sharing provisions unique to countries with conflict and peace processes?

In practice peace settlements centrally deal with the allocation of political, territorial, economic and military power. It bears emphasis that they do so, not as exercises in establishing good government or good economic management, but as hard-bargained attempts to reach a political and military compromise between those at the heart of the conflict to enable them to stop fighting. Our review of economic power-sharing arrangements in all peace processes from 1990 to 2016 indicates that economic power-sharing is turned with different goals and motivations in different peace processes. When and how economic power-sharing matters arise and are dealt with, is dependent on the following political factors:

#### Fiscal federalism (or devolution or autonomy)

Many countries, including those which have not experienced conflict, also have forms of joint governance over the allocation of state resources between different sub-state polities and groups. In particular, such arrangements are typical where forms of multi-level governance exist, with political and economic power devolved to sub-state authorities such as federal units or local government. Often called 'fiscal devolution', division of economic responsibility and power is central to many contemporary states. Additionally, the governance and distribution of the considerable wealth that comes from key natural resources, such as oil, include distinct forms of economic power-sharing in many countries.

The conflict resolution literature on economic power-sharing somewhat ignores or underplays well-established practices and economic literature on so-called 'fiscal federalism'. Fiscal federalism includes matters such as (a) using state resources to provide block grants to sub-state units; (b) including sub-state regions in decisions over economic resources (c) rules for sub-state taxation and revenue management and generation. The literature on fiscal federalism points to territorially-based economic power-sharing as being:

- ▶ very common even in non-conflict states. Fiscal federalism is not just something for federal states, but rather a term which denotes any attempt to devolve power over the resource generation and allocation functions of the state whether formally federal, involving forms of sub-nation or local administrative decentralization, or asymmetric arrangements, such as asymmetric federalism or centralized state with autonomous regions;
- ▶ hugely technical and complex in the variety of ways it can take place. Fiscal federalism flows from the territorial divisions of power in the state, which often align with differing regional sensibilities, identities and loyalties;
- ▶ fraught with key strategic political and policy choices as to what matters are devolved and what matters are shared, that are critical to the relative wealth of both, and the complexity or simplicity of financial management. Even in industrialized OECD countries economic power-sharing raises issues related to questions of territorial and national equality, and good governance and efficiency.

### Natural resource distribution

Within fiscal federalism debates and permutations, the question of management of natural resources forms a distinctive topic. Natural resources often have a geographic locale which means that they are argued to be both a national resource and a local one in ways that have different political and economic implications which prompt distinct modes of power-sharing. They also have a different set of possible power-sharing options, which can be used in different ways by different states (see for example, discussion on options for Myanmar (Baur, Shortall and Delesgues 2003); or Gupta, Sgura-Ubiergo and Flores brief on direct payments to the population from oil funds, 2014).

## Why is wealth-sharing or economic power-sharing particularly important in peace negotiations?

While the literature on causes of conflict is large and complex, wealth inequalities are understood to drive conflict in a number of ways that must be addressed if conflict is to end. Key arguments include that wealth inequalities and partisan control over natural resources can:

- ▶ Reinforce existing group cleavages, for example between different races or ethnic groups, so as to produce multiple exclusions which create the conditions for conflict.
- ▶ Weaken the social contract between groups and between groups and the state, where public goods are not delivered fairly.
- ▶ Fuel greed-based incentives for conflict in which armed groups seek increased resources both to enrich the individuals involved and/or to maintain their power-base through forms of patronage and payment.
- ▶ Perpetuate the conflict, if disputes over natural resources were in part responsible for the outbreak of the conflict.

See further UN/World Bank Pathways to Peace (2018).

Conversely, economic power-sharing and more inclusive management of natural resources can have conflict resolution functions, related to addressing these issues. Proponents of fiscal federalism argue, even in non-conflict settings, that devolution of control over resources can deliver forms of inclusion that promote cohesion and increase the effectiveness of the state's capacity to deliver public goods to its citizens (see generally, Darby, Muscatelli and Roy, 2002):

- ▶ **Efficiency:** Economic theory suggests that allocating expenditure decisions close to the citizen will lead to a more efficient outcome, with local electorates being able to determine the allocation of public spending on different services in a way that best suits the local electorate. In conflict-affected states, where the central state power holders may have fought a conflict against sub-state groups and there may be a distinct national identity operating at the sub-state level and a history of inequality, arguments that devolving economic power will lead to better local outcomes are likely to have even more salience.
  
- ▶ **Promote responsible fiscal management:** Fiscal federalism with fiscal autonomy can induce greater responsibility on local politicians in ways that are preferable to provision of 'grants' from the centre, so building local governance.

## What evidence is there that economic power-sharing or wealth-sharing are effective tools for conflict resolution?

The literature on both economic power-sharing and fiscal federalism (an established field of study) points to potential benefits of: stability, efficiency, and even conflict prevention. However, a number of the economic power-sharing studies have specifically examined the effectiveness of economic power-sharing in addressing violent conflict. The studies use different definitions and statistical methodologies and come to somewhat different conclusions, making them difficult to translate collectively into simple policy prescriptions (see Baldinger's analysis (2016) of how some of these differences relate to the different definitions of what constitutes economic power-sharing, as set out in the box on page XX). Nevertheless, we set out their main findings of published studies here:

### Economic power-sharing on its own may not increase the likelihood of peace enduring, but may do in combination with other forms of power-sharing.

Hartzell and Hoddie (2003, 2007): found no statistical evidence that power-sharing on its own increases peace duration, a finding backed up by Mattes and Savun (2009). However, they examined four different forms of power-sharing based on whether the intent of the policy was to share or divide power among rivals along its political, territorial, military or economic dimension. Using survival analysis to examine 38 civil wars resolved by negotiation between 1945 and 1998, they found that the more dimensions of power-sharing included in a peace agreement, the higher the likelihood of peace enduring. They argued that this was because 'uniquely power-sharing institutions foster a sense of security among former enemies and encourage conditions conducive to a self-enforcing peace' (2003: 318). Their overall conclusion about the impact of economic power-sharing arrangements alone was reinforced by Mattes and Savun (2009) who also found no statistical evidence that economic power-sharing on its own increases peace duration.

**Binningsbø and Rustad (2012):** examined data on resource wealth redistribution, allocation of decision-making power over natural resources and land reforms in order to explore the effect of economic power-sharing on post-conflict peace.

They found that wealth-sharing is more likely to be implemented after natural resource conflicts, but that overall there is no statistical evidence that economic power-sharing on its own increases peace duration. They suggest that this is because:

- ▶ factors other than wealth-sharing better explain peace duration; and
- ▶ the wealth-sharing policies are poorly designed and implemented.

They conclude that wealth-sharing can only be a suitable path for societies recovering from armed conflict if such policies are carefully designed to fit the specific context and take into account the challenges of implementation.

**Le Billon and Nicholls (2007):** examine the effect of wealth-sharing policies on post-conflict peace, compare three types of measures in resource-financed armed conflicts after the Cold War: revenue sharing, economic sanctions and military interventions. They found that these measures were implemented, and had an impact on short-term conflict settlement, but not on more durable peace.

## What risks need to be managed with economic power-sharing?

Economic power-sharing also carries some risks.

### Sustaining, renewing and proliferating armed actors.

While economic guarantees and access to resources can incentivize armed actors to sign peace deals, there are clear risks to using access to resources to 'buy peace' by providing that former armed actors have a clear say in future distribution of resources. First, giving economic power to armed actors can help them to build their base and give them increased political and military power, and indeed this may often be a primary objective of signing a peace agreement. The work of de Waal (2015) on South Sudan, traces the ways in which peace agreements are often understood in terms of how they will sustain the political and military base of those signing them. Second, economic power-sharing sends out a strong signal the use of violence can lead to material gain, which can incentivize other groups to use violence to gain access to economic power. Tull and Mehler (2005) criticize power-sharing generally for incentivizing insurgents in conflicts in Africa. Interestingly, however, Binningsbø and Dupuy, in a case study of Sierra Leone (2009), describe how incentives to keep fighting, in fact splintered armed groups, and were one of the factors that enabled a military weak government to use the peace agreement to defeat their adversary, the Revolutionary United Front (RUF), despite extensive power-sharing mechanisms.

### Peace Agreement Example: Sierra Leone

In Sierra Leone, the role given to the armed opposition group the Revolutionary United Front (RUF). The [Lome Accord 1999](#) between the government of Sierra Leone and the RUF provided for a Commission for the Management of Strategic Resources, National Reconstruction and Development (the CMRRD) to be responsible for securing and monitoring the legitimate exploitation of Sierra Leone's gold and diamonds, and other resources 'determined to be of strategic importance for national security and welfare as well as cater for post-war rehabilitation and reconstruction, as provided for under Article XXVIII of the present Agreement.' The power-sharing provisions were, however, time-limited to the next elections. The agreement provided (Article VII, 12) that, the Commission be governed by a Board whose Chairmanship shall be offered to the Leader of the RUF/SL, Corporal Foday Sankoh. The Board shall also comprise:

- (i) Two representatives of the Government appointed by the President;
- (ii) Two representatives of the political party to be formed by the RUF/SL;
- (iii) Three representatives of the civil society; and
- (iv) Two representatives of other political parties appointed by Parliament.

A previous agreement ([Abidjan Accord 1996](#)), which provided for a much 'softer' formulation of the involvement of the RUF in 'social and economic policy' had failed.

**Risks of corruption:** Haaß and Ottman (2015) suggest that buying peace through power-sharing in the short term can result in increased corruption. They suggest that while this may be a necessary evil in the short-term, international assistance should focus on reducing corruption in the long run. Their data indicates that power-sharing countries are more prone to corruption, and they back this up by case study analysis of Liberia and Aceh, Indonesia. While these peace processes were over time successful in ending armed conflict, and indeed saw the key rebel groups ultimately displaced from power, Haaß and Ottman suggest that they also set in place a political economy of corruption. They suggest that buying peace through power-sharing (by which they mean all forms of power-sharing and not just economic power-sharing) can:

- ▶ grant rebels access to state resources and add another player to the game of patronage and clientelism: increasing competition over a limited pool of resources and increasing rebel motivation to enrich themselves and their support networks;
- ▶ produce corruption: because the limited time horizons of interim transitional arrangements in which economic power-sharing is often granted, which are contemplated to end with elections, increase the likelihood that these actors will engage in corrupt and/or clientelist behaviour.

Discussions of fiscal federalism, more generally, point to risks of territorially-based economic power-sharing in all settings, which would seem to have a particular application in conflict-related settings:

### Risks of new inequities.

Fiscal federalism can cause inequity, because jurisdictions with different levels of income and wealth will have very different tax resources at their disposal, meaning that some 'pooling and sharing' of resources across jurisdictions is required if different populations are to be treated equally. In the conflict setting typically sub-state nationalisms will have pushed for maximum autonomy as a route to equality and development in identity conflicts where the state is understood to have 'de-developed' an ethnically or nationally distinct region. However, if the sub-state region has not negotiated or been given sufficient economic capacity, political autonomy can reduce capacity of the central state to pool resources, bringing further de-development at the sub-state level rather than ameliorating it.

### Risks of creating new conflicts.

Where a region has secured a differentiated autonomy deal that includes fiscal federalism, and perhaps even increased control over natural resources located in that territory, this can cause repercussions for the central state's relationship with other regions. In a pluri-national state, other regions may want similar forms of fiscal control, or feel they are subsidizing the new arrangements of one (violent) sub-state region, to their own detriment (for capacity for tension one need only look to 'settled states', see UK tension over the 'Barnett formula' that divides wealth between the constituent parts of the UK, or autonomy regimes of Spain, or arrangements in the Tyrol, Italy-Austria, where allegations of unfairness and subsidy abound). In conflict-affected settings, these pressures can jeopardize the peace agreement.

### Risks of administrative complexity.

Fiscal federalism can generate administrative complexity, because it adds layers to decision-making and complex rules for allocating economic decisions. This risk can have a particular conflict dynamic, given the extreme lack of trust that is likely to persist amongst those required to operationalize the arrangements. Complex relationships are likely to require a measure of capacity and trust which may not be possible in conflict settings, where a sub-state unit has achieved a measure of sudden autonomy in part to address the lack of trust.

### Risks of alleviating local self-government of responsibility for strong financial management.

So-called 'tax externalities' may need to be managed, if local self-government is to be made responsible for its financial decision-making. If taxation decisions by sub-national government can impinge on non-residents of the sub-state entity, meaning that the costs of decisions are not internalized at the sub-national level, then this can be of political and economic significance. In a post-conflict society, the repercussions of the financial deal given to the sub-state entity can give impetus to those who oppose the peace agreement at the central state level, and it will be important if autonomy is created for a sub-state entity that responsibility for its financial stability aligns with its scope of political decision-making, if financial responsibility is to be fostered.

### Risks of 'tax migration'.

If economic power-sharing involves devolution of taxation powers, flight from the devolved jurisdiction through movement of individuals or companies, or conversely 'races to the bottom' where regions undercut each other's taxation levels, need to be managed. In conflict settings the idea of a common national taxation 'floor' can be politically difficult: if a sub-state entity has pushed for maximum political autonomy, the central state calling for some common regulatory floor can be understood and resisted as a back-door measure for controlling sub-state political choices that autonomy was meant to deliver.

## Conclusion

A tension often exists between using the peace negotiations and agreement (a) to reconcile the competing interests of political/military actors as to control economic resources and (b) to put in place an institutional structure for the state that will ensure workable, sound, efficient and accountable economic governance capable of delivering for citizens fairly and equally. This tension will need to be managed in peace negotiations, peace agreements and post-conflict reconstruction.

### Politically-institutionalized economic power-sharing.

In the peace agreement context, giving parties who were at the heart of the violence of the conflict shared access to state resources is often the only compromise over power possible. It may be vital to providing armed actors with the security guarantees necessary to getting them to sign up to a peace deal. However, putting former combatants into key ministries, or in positions of power in key companies and bodies managing natural resources, can also appear to run counter to efforts to establish good government. Particularly during transitional periods, when the state's infrastructure for economic governance is weak, having those at the heart of the conflict in joint economic power-sharing arrangements, can make it more difficult to have transparent, democratically controlled, and workable economic arrangements.

### Territorially-institutionalized economic power-sharing.

Territorial power-sharing, often involves an uneasy compromise between a position of absolute state unity on one side, and a push for secession on the other. Here economic power-sharing measures must balance between devolving economic decision-making closest to those affected, and maintaining some ability to pool and share resources across the state, so as to: cushion regional shocks, manage different tax bases, and different regional needs at different times. Again, tensions can emerge between what is a good arrangement for conflict resolution purposes, and what is a workable set of governmental instruments for economic decision-making. Tension is not inevitable. As we saw earlier, fiscal devolution can be more efficient rather than less efficient than centralization, can promote responsible local governance, and can promote state-wide stability and cooperation. However, in conflict settings, the modalities of fiscal devolution are likely to be shaped by the lack of trust which the institutionalization of territorial sub-division has sought to address, rather than concerns about efficiency. Arrangements may be contested, complex, and designed around compromise over who controls decisions, rather than easy decision-making.

While we have discussed economic power-sharing in general terms, in practice contextual factors are not only important but will determine the shape of economic power-sharing. Different economic power-sharing arrangements, have very different contexts, despite establishing similar mechanisms. Some economic power-sharing arrangements will be part of a broader struggle by a marginalized group for equality in a dominant exclusive state structure, which has relegated them to second-class-citizens. Other forms of economic power-sharing are very much about 'power-splitting' deals between militarized groups, to ensure that each side can reward its own constituents and fighters to maintain political power in situations where the commitment of any party to peace is unsure. Many power-sharing arrangements involve a complex mix of these motives.

All peace processes, however, will need to make sure that economic considerations do not undermine peace, and ideally that they provide economic incentives for peace, and have some capacity to be developed into a workable institutionalization for economic governance, capable of delivering public goods to all parts of the state equally. The key difficulty in peace processes involves how to persuade parties to move from their war-economies to new shared economic institutions which contain the potential for good economic management of resources. The recommendations set out at the start, attempt to provide some guidance as to how to approach peace processes to achieve this, however it is not easy.

Finally, while this research report has focused on attempting to end conflict, it also holds lessons for conflict prevention. Early steps towards fairer distribution of state resources, and better institutionalization of economic power-sharing in deeply divided societies, can play a role in preventing conflict, or reducing it, if unilaterally 'offered' by a state. The [Ohrid Agreement 2001](#), in Macedonia, moved to institutionalize forms of equality between ethnic Albanians and the majority population which were very effective in addressing incipient conflict.

## Peace Agreements Mentioned in Text and Others with Important Economic Power-Sharing Arrangements

Afghanistan, Afghan Peace Accord (Islamabad Accord) 7 March 1993  
<https://www.peaceagreements.org/view/409>

Angola-Cabinda, Memorandum of Peace and Understanding in Cabinda Province, 2 August 2006, <https://www.peaceagreements.org/view/1336>

Bangladesh/Chittagong Hills Tract, Agreement between the National Committee on Chittagong Hill Tracts Constituted by the Government and The Parbattya Chattagram Janasanghati Samity, 2 December 1997, <https://www.peaceagreements.org/view/238>

Bosnia-Herzegovina, General Framework Agreement for Peace in Bosnia and Herzegovina, (Dayton Peace Agreement), 21 November 1995  
<https://www.peaceagreements.org/view/389>

Burundi, Accord de Partage de Pouvoir au Burundi, 6 August 2004  
<https://www.peaceagreements.org/view/202>

Colombia, Final Agreement to End the Armed Conflict and Build a Stable and Lasting Peace, 24 November 2016, [http://especiales.presidencia.gov.co/Documents/20170620-dejacion-  
armas/acuerdos/acuerdo-final-ingles.pdf](http://especiales.presidencia.gov.co/Documents/20170620-dejacion-armas/acuerdos/acuerdo-final-ingles.pdf)

Comoros, Agreement on the Transitional Arrangements in the Comoros (Maroni Agreement), 20 December 2003, <https://peaceagreements.org/view/618>

Ecuador-Peru, Acta Presidencial de Brasilia, 26 October 1998,  
<https://www.peaceagreements.org/view/212>

El Salvador, Chapultepec Agreement, 16 January 1992,  
<https://peaceagreements.org/view/474>

India-Darjeeling, Memorandum of Settlement, 2005 and the Memorandum of Agreement on the Gorkha Territorial Administration, 18 July 2011, <https://www.peaceagreements.org/view/1716>

Israel-Jordan (Palestine), The Washington Declaration, 26 July 1994, <https://peaceagreements.org/view/591/The%20Washington%20Declaration>

Israel/Palestine, Declaration of Principles on Interim Self-Government Arrangements ('Oslo Accords'), 13 September 1993, <https://peaceagreements.org/view/357>

Israel/Palestine, Israel-Jordan Agreed Common Agenda, 14 September 1993, <https://www.peaceagreements.org/view/222>

Israel/Palestine, Treaty of Peace between the State of Israel and the Hashemite Kingdom of Jordan, 26 October 1994, <https://www.peaceagreements.org/view/594>

Liberia, The Peace Agreement between the Government of Liberia, the Liberians United for Reconciliation and Democracy (LURD), the Movement of Democracy in Liberia (MODEL) and the Political Parties (Accra Agreement), 18 August 2003, <https://www.peaceagreements.org/view/338>

Libya, Libyan Political Agreement (Sukhairat Agreement), 17 December 2015, <https://peaceagreements.org/view/1370>

Philippines/Mindanao, Annex on Power-Sharing to the Framework Agreement on the Bangsamoro (FAB), 8 December 2013, <https://peaceagreements.org/view/868>

Philippines/Mindanao, On the Bangsamoro Waters and Zones of Joint Cooperation Addendum to the Annex on Revenue Generation and Wealth-sharing and the Annex on Power-sharing, 25 January 2014, <https://peaceagreements.org/view/883>

Sierra Leone, Peace Agreement between the Government of Sierra Leone and the Revolutionary United Front of Sierra Leone (RUF/SL) (Lome Agreement), 7 July 1999, <https://www.peaceagreements.org/view/478>

Sierra Leone, Peace Agreement between the Government of the Republic of Sierra Leone and the Revolutionary United Front of Sierra Leone, signed at Abidjan ('Abidjan Accord'), 30 November 1996, <https://www.peaceagreements.org/view/476>

Somalia, Agreement between the Federal Government of Somalia and Jubba Delegation, 27 August 2013, <https://www.peaceagreements.org/view/791>

South Sudan, Agreement on the Resolution of the Conflict in the Republic of South Sudan, 17 August 2015, <https://peaceagreements.org/view/1357>

South Sudan/Sudan, Comprehensive Peace Agreement between the Government of the Republic of the Sudan and the Sudan People's Liberation Army/Sudan People's Liberation Movement (Naivasha Agreement), 9 January 2015, <https://peaceagreements.org/view/337>

South Sudan/Sudan, Agreement on Trade and Trade Related Issues between Sudan and South Sudan, 27 September 2012, <https://www.peaceagreements.org/view/859>

## Resources

The following are core useful resources for economic power-sharing and wealth-sharing, including consideration of natural resources. For wider literature see further references.

### Peace Agreements

For full text of peace agreements cited from which data in this report is drawn, and searchable provisions on territorial power-sharing see: PA-X Peace Agreements Database, University of Edinburgh ([www.peaceagreements.org](http://www.peaceagreements.org)). This database is a repository of peace agreements from 1990 to date, current until 1 January 2016. It contains over 1500 agreements from over 140 processes with coding provisions for 225 substantive categories.

For peace agreement texts with search functions see further:

- ▶ **Language of Peace, University of Cambridge**  
(<https://www.languageofpeace.org/#/>)  
This tool provides access to over 1000 agreements for mediators and drafters to be able to compare and collate language on key issues.
- ▶ **Peace Agreements Digital Collection, United States Institute for Peace**  
(<https://www.usip.org/publications/2009/04/peace-agreements-digital-collection>)  
This collection strives to contain the full-text agreements signed by the major contending parties ending inter and intra-state conflicts worldwide since 1989. It was last updated in 2009.
- ▶ **Peacemaker, United Nations**  
(<http://peacemaker.un.org/>)  
Peacemaker maintains a comprehensive database of agreement texts, and it serves as an online mediation support tool.

## Key Websites and Literature

Environmental Peacebuilding has a set of publications including six books, fully open access, on natural resource management and conflict resolution:

Environmental Peacebuilding:

- ▶ <https://environmentalpeacebuilding.org/>  
[Accessed 20 March 2018].

For books and some of the most key essays, fully accessible online, see:

Environmental Peacebuilding:

- ▶ <https://environmentalpeacebuilding.org/publications/books/>  
[Accessed 20 March 2018].

Baur, A., Shortall, P., and L. Delesgues, L., 2016. Sharing the Wealth: A Roadmap for Distributing Myanmar's Natural Resource Revenues, Natural Resource Governance Institute [online].

- ▶ Available from: <https://resourcegovernance.org/analysis-tools/publications/sharing-wealth-roadmap-distributing-myanmars-natural-resource-revenues>  
[Accessed 23 August 2017].

Bruch, C., Muffett, C., and Nichols, S. S. (eds.), 2016. Post Conflict Peacebuilding and Natural Resource Management: Governance, Natural Resources and Post-Conflict Peacebuilding. London: Earthscan, Routledge [online].

- ▶ Available from: <https://environmentalpeacebuilding.org/publications/books/>  
[Accessed 20 March 2018].

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