



Ending Africa's Conflicts

by *Tony Addison*

War has destroyed the lives and hopes of millions of Africans. It poses major challenges to the United Nations system and to the wider development community. Why conflict occurs, why some countries avoid it, how we end it, and how we reconstruct afterwards are the key issues facing Africa today.

Rebuilding Africa's war-damaged economies involves reconstructing communities, revitalising private sectors, and building state capacities. This is a demanding set of tasks given the scarcity of financial resources and skills.

By failing to deliver broad-based growth, the economic strategies of conflict countries contributed to the onset of war. Reconstruction, if it is to be successful, must avoid recreating the past. Past strategies must be rethought, and policies, public expenditures and institutions must be changed. Consequently, there is common ground between the agenda of reconstruction and the agenda of economic reform (or 'transition'). Indeed, since both aim to raise living standards, their design and implementation should be one and the same process.

This is seldom the case, however, mainly because of the variety of donor agencies involved - each with its own responsibilities - together with weak national capacities. For example, communities are being helped to reconstruct but their needs are not adequately incorporated into either the design of privatization programmes or fiscal frameworks. Hence, possibilities for poverty reduction are missed.

The uneasy relationship between reconstruction and reform is a core issue in the UNU/WIDER project on 'Underdevelopment, Transition and Reconstruction (UTR) in Sub-Saharan Africa'. This project focuses on Angola, Eritrea, Ethiopia, Guinea-Bissau, Mozambique, and Somalia. These countries share a common history; Marxism-Leninism underpinned their early development strategies, and economic failure together with the Cold War led to intense, and often recurring, conflict. War has killed at least 4 million people, mostly civilians, in these countries.

(continued on page 2)

WIDER Lessons on Emergencies

Conflict is directly related to inequality between social groups, state failure, economic decline and economic shocks according to UNU/WIDER Policy Brief No.2, *Social and Economic Policies to Prevent Complex Humanitarian Emergencies*. The report was launched on 22-23 March at the United Nations Headquarters in New York, and delivered to the UN's ECOSOC meeting on 13 July in Geneva by Professor Frances Stewart (Oxford University).

UNHCR /B.Press photo



Refugees from Burundi in Rwanda

To prevent conflict, the international community should give more priority to appropriate development policies, meaningful forms of foreign aid, and stronger state and civil society institutions. These, and other findings, were widely reported in the international press and media, including CNN and the International Press Service. The policy brief, authored by Jeni Klugman, summarises the results of the UNU/WIDER project 'The Wave of Emergencies of the Last Decade', a project led by Wayne Nafziger, Frances Stewart, and Raimo Väyrynen. The report is posted on the Institute's website (www.wider.unu.edu). Further details of how to obtain this and other UNU/WIDER publications are provided on page 11 of this newsletter. ■

Problems encountered in the economic transitions of Eastern Europe and the Former Soviet Union are evident in Africa as well.

For Angola the peace agreement of 1994 proved to be yet another temporary cease-fire, and war has now resumed. Eritrea and Ethiopia began reconstruction after the Derg's overthrow in 1991 and Eritrea's independence, but began an unexpected war in 1998. In Guinea-Bissau a promising recovery was set back by a military revolt in 1998. There is as yet no end in sight for Somalia's conflict. Much of the country remains insecure, while Somaliland (in the Northeast) has seceded. Only Mozambique has managed to maintain the momentum of peace, and considerable - although very uneven - reconstruction has been achieved since the end of the war in 1992.



Somali refugee camp in Ethiopia

Under state socialism, enterprises and natural resources were nationalized (land in particular), market controls were imposed, and Soviet-style planning was attempted. But these strategies failed to conquer underdevelopment, and economic transition- as in the Former Soviet Union (FSU) itself - became urgent.

Eritrea is creating the institutions necessary for a new state. Somalia never completed economic transition and the state itself collapsed.

Problems encountered in the economic transitions of Eastern Europe and the FSU are evident in Africa as well. These include institutional failure (especially in property rights), non-transparent privatization, the neglect of appropriate regulation (especially in banking), chronic fiscal imbalance, and a sharp and socially destabilizing rise in inequality (especially in Angola).

With the exception of Mozambique, economic reconstruction and transition have been reversed by new conflicts. Indeed, Eritrea's introduction of a new currency (marking the end of its monetary union with Ethiopia) was one of the triggers of the present war. The difficulties encountered by UTR countries highlight the close relationship between economic-policy decisions and the prospects for peaceful development. Country strategies do not adequately

faced by the UTR countries: overcoming *underdevelopment* and the political instability associated with it, completing the *transition* from state socialism, and *reconstruction* from conflict so that peace endures.

Three Key Challenges

Reconstruct communities to achieve broad-based growth

Facilitate the creation of a new private sector

Build a development state to implement broad-based growth

Photo by A. Hollmann/UNHCR

Tony Addison, from the University of Warwick (UK), is a UNU/WIDER research fellow, and the director of the project on 'Underdevelopment, Transition and Reconstruction in Sub-Saharan Africa'.

For further discussion see Tony Addison 'Underdevelopment, Transition and Reconstruction in Sub-Saharan Africa' UNU/WIDER Research for Action 45 and 'Rebuilding Post-Conflict Africa: Reconstruction and Reform' Research in Progress 18.

UNU/WIDER gratefully acknowledges the financial contributions of the Governments of Italy, Sweden and the United Kingdom to the project.

For information on this and other projects please visit our website at: www.wider.unu.edu.

address these issues, and thus reconstruction and transition are often in tension with each other. Meanwhile, old causes of conflict - contests over the state (Guinea-Bissau) and natural resource wealth (Angola) - continue to fester.

Thus, the title of the UNU/WIDER project reflects the three challenges

BY INVITATION

Aid and Conflict in Rwanda

by Stephen Browne

Every 'conflict country' is a special case. What distinguishes Rwanda is the intensity of human destruction to which the country succumbed in 1994. One seventh of the population, mostly from the Tutsi minority, was massacred in the space of three months. The academic, commercial, and professional elite was decimated. Nine-tenths of the population was displaced, and basic infrastructure was destroyed.

Prior to the genocide, Rwanda received large amounts of aid. From 1988 to 1991, total official development assistance (ODA) rose from almost \$250 million per year to over \$350 million (approximately \$50 per capita). This aid was supplemented by humanitarian assistance, which increased in 1992 and 1993 as the civil war between the Government, and the Tutsi-dominated rebels intensified and displaced large numbers of people (refugees from massacres in Burundi also fled to Rwanda during this time). These levels of aid were maintained until the genocide, following which ODA doubled to over \$700 million, mostly humanitarian aid. Today, aid inflows total \$400 million per year, with development aid in the ascendant.

This juxtaposition of aid and conflict prompts important questions about the power and effectiveness of aid. Before the genocide Rwanda was implementing a programme of structural adjustment, supervised by the IMF and the World Bank. The country enjoyed an unusually good image with the donors, the most important of which had resident missions in Kigali.

Thus, the aid donors had a major stake in Rwanda in the months prior to the genocide, and indeed many saw the country as an African model

of development. What seems extraordinary now is that none of the donors appeared to be aware of the Government's careful preparations for one of the worst massacres in human history. Yet information was available from which the cataclysm could have been predicted.

Indeed, some observers have argued that aid, in supporting the Government's policies and programmes, may have contributed to the conditions that incubated genocide. Rwandan society has suffered from high levels of 'structural violence' - inequality, marginalisation and ethnic bias - which were often rooted in, and exacerbated by, state action. The recently completed UNU/WIDER project on complex humanitarian emergencies highlights the role of unbalanced development as a cause of conflict in Rwanda, and other countries.

The tragic impotence of the donor community in the face of the unfolding genocide has been well chronicled. While the blame has not been clearly apportioned and admitted, it is widely agreed that appropriate interventions by the international community could have prevented the loss of hundreds of thousands of lives. In one hundred days, this country - together with its patrimony of aid - self-destructed.

The aid that then poured into Rwanda following the genocide was partial atonement. Whatever its motives, aid helped to rebuild the country, at least its economy and physical infrastructure. By the end of the 1990s, the economy is roughly back to where it was at the start of the decade.

Rwanda is now entering a post-crisis phase. It is in the second year of an IMF Enhanced Structural Adjustment Facility (ESAF)

programme and benefited in 1999 from a new programme loan from the World Bank. The profile of aid is again changing in favour of development assistance.

But donors need to learn from Rwanda's recent history, if tragedy is not to be repeated. This is especially true in circumstances (applicable to many African countries) in which political, commercial and academic power and influence are again concentrated in a few hands, since aid inevitably constitutes a contentious, and contested, prize.

First, all bilateral and multilateral donors need to agree on the economic, political and social norms that are currently most likely to promote stable, open, and inclusive governance in Rwanda. Currently, donors are divided in their willingness to assist. Some donors, historically close to the previous Hutu regime, are reluctant to become engaged with a Tutsi-dominated Government. Aid should be more objective.

Second, donors must apply stricter criteria to their aid programmes, which must be appraised according to the criteria of reconciliation, not division. Projects that spread their benefits unevenly across ethnic groups, for example training grants that favour one group over another, should be avoided. Donors must never again acquiesce to apartheid in Africa.

Stephen Browne is the United Nations Development and Humanitarian Co-ordinator for Rwanda.

For further discussion of Rwanda see Peter Uvin 'Development, Aid and Conflict: Reflections from the Case of Rwanda', UNU/WIDER, Research for Action 24.

Managing Resource Abundance

by Richard Auty

At first sight, countries that are abundant in minerals and other natural resources should enjoy faster development. But between 1960 and 1990 the per capita incomes of the resource-deficient countries grew two to three times as fast as those of the resource-abundant countries despite the latter's apparently greater development potential. This performance gap widened significantly from the 1970s onwards. Understanding this paradox is a key focus of the UNU/WIDER project on 'Environmental, Export and Human Development Problems in Natural-Resource Based Growth Models'.

Resource-deficient countries are less prone than resource-abundant countries to policy failures that lead to growth collapses. Successful resource-deficient countries have pursued a *sequenced* industrialization path (for example South Korea). This is characterised by early movement into labour-intensive manufactured exports. Such growth absorbs surplus labour and accumulates skills; this in turn changes their comparative advantage and they shift into capital-intensive and skill-intensive goods and then into R and D intensive products. Genuine saving (a measure of environmental sustainability) is usually strongly positive in countries that successfully take this path. These economies are resilient to external shocks and usually sustain rapid and equitable growth. Basically, a meagre natural resource endowment constrains policy choice and provides less scope than resource abundance does for cumulative policy error.

In contrast, many resource-abundant countries leapfrog the labour-intensive stage of industrialization and move earlier into capital-intensive industry. The inflow of

mineral and other revenues causes their currencies to appreciate thereby reducing their competitiveness in foreign and home markets. Fears of unemployment encourage trade-policy closure to protect domestic producers. Growth becomes dependent upon a few staples that must provide foreign exchange and transfers to the burgeoning 'infant' industries (which are often capital-intensive).

In transition economies (the countries of the Former Soviet Union, for example), resource abundance may inhibit the creation of a market economy. Revenue inflows make economic reform appear less urgent and the associated appreciation of the currency retards diversification into competitive job-intensive activities. Moreover, resource rents often feed corruption when institutions are weak and when the resource rents

Photo by David Mangurian, IDB



Natural gas extraction in Latin America

Vested interests in trade closure capture policy so that governments resist the politically unpopular currency depreciation that is required to sustain growth (especially in labour-intensive exports). Instead they either borrow from abroad or squeeze the primary sector further so that incentives are depressed and competitiveness wanes. Investment efficiency declines, human capital accumulates slowly, and economic diversification is retarded. Resource-abundant economies therefore become highly vulnerable to even mild external shocks (such as a fall in the terms of trade). A growth collapse results, even in capital surplus countries like Saudi Arabia that did not close their economies.

Key Lessons

Resource-abundant economies often misallocate resources

Resource abundance hampers the transition to a market economy

A meagre resource endowment provides less scope for policy error

Malaysia's successful resource-driven growth shows that policy counts

(continued on page 5)

accrue mainly to the government, as in the cases of the mineral economies and the transition economies. Such economies eventually experience deep output losses. It may take at least a generation to recover from the collapse in growth associated with mismanagement of resource abundance. In particular, social and economic infrastructure and institutions must be rebuilt and this takes considerable time. Growth collapse can have especially acute social effects in the smaller resource-abundant economies, and may trigger violent conflict in ethnically diverse societies when one group captures most of the resource rents.

However, resource abundant Malaysia demonstrates that policy counts and that a growth collapse is avoidable. Concern for income inequality in Malaysia led to a tacit agreement between the two dominant ethnic groups that economic growth was a prerequisite for poverty alleviation. A conscious effort was therefore made to diversify the economy and to avoid both trade policy closure and the repression of economic incentives. Malaysia displayed a capacity to manage latent social tensions that is rare in resource-abundant economies where all too often the resource rents have been used to buy short-run political support at the cost of long-term development.

Richard Auty, from the University of Lancaster (UK), is a UNU/WIDER Senior Research Fellow and the director of the project on 'Environmental, Export and Human Development Problems in Natural-Resource Based Growth Models'.

The financial contribution of the Government of Sweden to this project is gratefully acknowledged.

BY INVITATION

Containing the Human Impact of Economic Crisis

by Nora Lustig

Latin America went through a severe economic recession in the 1980s, and crises erupted again in the 1990s, most notably Mexico and Argentina in 1995, and Brazil in 1999. Such macro-economic crises hit the poor in numerous ways. Declining labour earnings, unemployment, and inflation combine to reduce household income. Many poor households react to a crisis by putting children to work, by postponing preventive or curative health measures or by reducing the nutritional intake of young children. These actions, combined with the breakdown of families and communities, undermine the living standards, social capital and long-term development possibilities of the poor. The harm done may be irreversible when the poor make decisions due to extreme necessity in the face of a crisis that reduces their accumulation of human or physical capital.

The design of adjustment measures such as devaluation, restrictive monetary and fiscal policies, trade liberalization and deregulation also influences the poverty outcome. Each adjustment measure has its own implications for poverty. While adjustment is usually inescapable, there is much scope for minimising its cost to the poor. For example, fiscal retrenchment should protect pro-poor public spending, particularly primary education, basic health services, and safety net programmes that target low income households in rural areas and urban neighbourhoods. If the fiscal adjustment is done in a regressive way, protecting the rich and leaving the poor to cope alone, then income inequality and social conflict will rise.

Not enough was done to minimise the poverty impact of the severe economic crisis of the 1980s and some valuable lessons can be extracted from this experience. Social funds were implemented several years (or even a decade) after the debt crisis erupted, and most neglected to improve the income-generating capacity of the poor. The International Financial Institutions (IFIs) focused on assisting stabilization and liberalization efforts and generally neglected to help governments protect pro-poor services from public spending cuts. Thus opportunities to help the poor were missed and, as a result, the poor suffered losses of assets and human capital that subsequent economic recoveries only partially reversed.

Many poor households react to a crisis by putting children to work, by postponing preventive or curative health measures or by reducing the nutritional intake of young children.

Despite the experience of the 1980s, both countries and IFIs were ill prepared to cope with the poverty impact of the new crises of the 1990s. The 1995 crisis in Mexico and Argentina imposed severe hardship on the poor. For example, in Argentina poverty rose from 16.9 percent in 1993 to 24.8 percent in 1995. Even though there has been some progress in protecting the poor from the crisis - income-smoothing

(continued on page 6)

Photo by Willie Heinz, IDB



Educating girls is crucial to poverty reduction

safety nets are now operating in Argentina and Mexico - hasty improvisation remains all too common. Fiscal strategies to protect pro-poor spending only began to take place during Brazil's devaluation crisis of 1999. As a result, much remains to be done.

Ad hoc responses must be replaced by permanent structures to assess and rapidly address the social effects of recession. Latin America's basic services are under-funded, and during economic crises they are often cut by as much (or more) than public spending that benefits non-poor households. During an economic downturn, cash transfer programmes designed to help poor children stay in school are vital. Examples of these types of programmes in the region include Brazil's Bolsa Escola, Honduras' PRAF, and Mexico's PROGRESA. Moreover, since poverty information and institutional capacities are weak, self-targeting safety nets such as Argentina's Trabajar programme can save many from destitution. These are just some of the ways in which to contain the human impact of economic crisis.

The broad outlines of a template to protect the poor during crisis are already apparent. Countries and IFIs must improve institutional structures

and make them more accountable to the needs of the poor. Micro-finance and other instruments can be used to smooth consumption over the business cycle and rebuild capital after a crisis. Countries must also build a consensus across society to protect the poor and to enhance their capacities. How best to implement and finance these and other objectives remain urgent questions. Until they are resolved, economic recession - which is inevitable even with the best economic management - will continue to hurt the poor, and will hinder longer run poverty reduction. We can do better.

Dr Nora Lustig is Chief of the Poverty and Inequality Advisory Unit at the Inter-American Development Bank, and a member of the UNU/WIDER Board. Information on the work of IDB's Poverty and Inequality Advisory Unit can be found at www.iadb.org/sds/pov.

For further discussion of the role of safety nets during economic crisis see the recent UNU/WIDER publication 'Social Funds in Stabilization and Adjustment Programmes', Research for Action 48, by Giovanni Andrea Cornia.

Crisis and the Poor: a Template for Action

Create permanent institutions to manage the human effects of economic crisis

Develop safety nets to respond rapidly when shocks occur

Focus fiscal policy management on poverty reduction

Use information to monitor and track the human impact of crises

Build social consensus for rapid and flexible anti-poverty measures



1999 Public Lectures

UNU/WIDER aims to stimulate as much public debate as possible on today's key development issues. The Institute's public lecture series is very popular. Details of present and future lectures can be found on our website (www.wider.unu.edu).

A World Financial Authority

The Asian financial crisis and the associated turmoil in emerging economies has captured world attention. On 2 February Lord John Eatwell (University of Cambridge, UK) discussed this, and other financial crises, which show that the international financial system is not working effectively. Market volatility and financial contagion have led to a slowdown in world growth and employment, and recurrent financial crises have severe impacts on emerging economies. Lord Eatwell concluded that if a liberal world order is to survive, then a World Financial Authority is needed to regulate the international financial system and to manage short-term capital flows.

The Asian Crisis: Lessons and Prospects

Photo by Niklas Tallqvist



Professor Jomo K.S.

The response of the International Monetary Fund to the Asian financial crisis has been the subject of much criticism. Professor Jomo K. S. (University of Malaya, Kuala Lumpur) discussed the IMF's policies and the causes of the Asian crisis on 25 February. As a result of financial liberalization, economies were made more vulnerable to herd behaviour in financial markets. This,

together with some abuses of state intervention in Asia, led to the crisis - which was then exacerbated by the IMF's policy advice and conditionality. Professor Jomo K. S. concluded that the crisis has shown the dangers of inappropriate financial liberalization and excessive deregulation and has reawakened the debate over the respective roles of the state and the market in development.

Globalization and the Prospects for Democracy and the Welfare State

The phenomenon of globalization is now the subject of intense debate. On 25 March Professor Erik Allardt (University of Helsinki) highlighted globalization's impact on political democracy and welfare-state institutions. Does Globalization reduce the importance of the nation state or does it strengthen it at the expense of liberal democracy? Can global democracy be developed? These and other important policy questions were addressed by Professor Allardt who emphasised the complexity of the issues. Cultural and social factors specific to individual countries and regions are important in designing policies to respond to globalization and its effects.

Inequality and Poverty Under the Washington Consensus

Income inequality has been rising in many regions of the world since the early 1980s, thereby reversing the decline in inequality seen in many countries prior to the 1980s. Professor Giovanni Andrea Cornia (Director, UNU/WIDER) discussed the causes of this reversal, and its implications, on 14 June. Increasing inequality is due to such factors as increasing concentration in the ownership of assets following privatization and liberalization, the erosion of labour market institutions,

and over-restrictive macro-economic policy. Professor Cornia emphasised that increases in income inequality may be positive or negative for growth and poverty reduction depending upon whether inequality is high or low to start with.

WIDER Annual Lecture

1 November 1999

Is Rising Income Inequality Inevitable?
A Critique of the Transatlantic Consensus
by
Professor Anthony Atkinson
(University of Oxford)



Venue: University of Oslo
Auditorium 1
George Sverdrups hus,
(new library building)
(16:15 - 18:00 hrs)

This event is sponsored by
the Royal Ministry for
Foreign Affairs of Norway
and hosted by the Centre
for Development and the
Environment (SUM),
University of Oslo

Institutional and Project Support for UNU/WIDER

On 11 May, the Director and staff met with government representatives from Denmark, Finland, Norway and Sweden to discuss UNU/WIDER co-operation with the Nordic countries on research and other activities. Presentations on the Institute's current and forthcoming research programmes were discussed and key policy issues were identified. The Danish and Norwegian Ministries of Foreign Affairs have pledged operational support for 1999 and 2000. The Swedish International Development Co-operation Agency (Sida) is providing project support for 1998-1999. The Finnish Ministry for Foreign Affairs traditionally provides in-kind operational support to the Institute as well as some project support.

The Yrjö Jahnsson Foundation, Finland, is supporting the November conference of the project on 'EMU and its Impact on Europe and the Developing Countries'.

UNDP is contributing to the project on 'Rising Income Inequality and Poverty Reduction: are they Compatible?'.

1999 Board Meeting

Photo by Kimmo Räisänen



From the left, back row: Dr Jukka Pekkarinen, Dr Harris Mutio Mule, Professor Matti Pohjola, Professor Ramesh Thakur, Professor Ruben Nickolayevich Yevstigneyev. First row: Dr Masaru Yoshitomi, Professor Hans J. A. van Ginkel, Dr George Vassiliou, Dr Sylvia Ostry, Professor Giovanni Andrea Cornia

The 15th session of the UNU/WIDER Board was held 14 to 15 June 1999 in Helsinki. Dr George Vassiliou is the Board Chairperson. The members of the Board are: Dr Nora Lustig (who was unable to attend the meeting), Dr Harris Mutio Mule, Dr Sylvia Ostry, Dr Jukka Pekkarinen (Vice Chairperson), Dr Ruben N. Yevstigneyev, Dr Masaru Yoshitomi, Professor Hans J.A. van Ginkel, Rector, UNU (Ex-officio) and Professor Giovanni Andrea Cornia, Director, UNU/WIDER (Ex-officio). Professor Ramesh Thakur, Vice-Rector, UNU, attended the session as an observer.

The Board met with researchers who made presentations on the progress of their projects. Researchers benefited from wide-ranging discussions with Board members, and from their useful comments and suggestions.

The Board discussed the 2000-2001 research programme. The Board decided that the following projects should be given priority: privatization, unemployment and welfare in China; institutional capabilities, reform

ownership and development in SSA; the impact of privatization and regulation of utilities and social services in Latin America; refugees, international illegal migration, and poverty; new fiscal policies for growth and poverty reduction; financial contagion - how does it spread, how can it be stopped?; information technology, employment and the future of work; property rights regimes, microeconomic incentives and development; globalization and the obstacles to the successful integration of small vulnerable economies; why some countries avoid conflict while others fail - the impact of public expenditures. Some of these projects are now underway.

UNU/WIDER's good working relations with the host country were discussed with Ambassador Kirsti Lintonen, Under-Secretary of State, Department for International Development Co-operation, Ministry for Foreign Affairs of Finland. The Board approved Ambassador Lintonen's proposal for an independent evaluation of the Institute's research.

News and Events

Staff News

Dr Mansoob Murshed from the University of Bradford joined the Institute as Research Fellow in January 1999. He is directing the research project on 'Globalization and the Obstacles to the Successful Integration of Small Vulnerable Economies'.

Mr Georges Heinrich from Heriot-Watt University (Edinburgh) participated in the Internship Programme between March and June. His research on 'Dynamic Aspects of Income Distribution and Poverty in Kyrgystan, 1993-1997' was attached to the project on 'Income Distribution and Social Structure during the Transition'.

Ms Taina Iduzee joined the Institute as Library Assistant in April.

Professor Tim Shaw from Dalhousie University, Canada, was a visiting scholar in the Institute's Sabbatical Programme in June. He prepared a paper on 'New Regionalisms and Underdevelopment, Transition and Reconstruction in the Horn of Africa'.

Mr Eyob Zere Asbu from the University of Cape Town in South Africa joined the Research Internship Programme for Ph.D. students on 1 July 1999 for a period of four months. His work is affiliated to the project on 'Underdevelopment, Transition and Reconstruction in SSA'.

Ms Tuula Asplund joined the Institute as Administrative Clerk in August.

Mr Philippe Le Billon from the University of Oxford joined the Internship Programme in August for a period of four months. His work is affiliated to the project on 'Underdevelopment, Transition and Reconstruction in SSA'.

Ms Zsuzsanna Oinas, Library Assistant, separated from the Institute in February.

Mr Harri Ketonen, Administrative Clerk, separated from the Institute in April.

Vacancy Announcements

Applications are currently being invited for Research Fellows/Senior Research Fellows for the following research projects:

- 1. Privatization, Unemployment and Welfare in China**
- 2. Institutional Capabilities, Reform Ownership and Development in sub-Saharan Africa**
- 3. Insurance Against Poverty**
- 4. Refugees, International Illegal Migration and Poverty**
- 5. Why Some Countries Avoid Conflict while Others Fail: The Impact of Public Expenditures**

Applicants for the positions are expected to have a Ph.D. in economics, development economics or related field, with 8-10 years of research experience (15-18 years for Senior Fellows) and at least a few years of work in the specific areas indicated above.

All candidates are expected to have an excellent and verifiable publications record and good drafting experience, to be fluent in oral and written English, and to be familiar with the common PC-based word processing, statistical analysis and data base programmes. Knowledge of an additional official UN language would be an asset.

Researchers hired at UNU/WIDER, Helsinki will be contracted for a period of about two years (non-renewable) on a personnel service agreement offering a highly competitive, all-inclusive, remuneration, and four weeks paid vacation a year. For fellows operating out of their institutions, arrangements can be exceptionally worked out but preference will be given to those candidates who would be based in Helsinki.

Those selected will be expected to start by the end of the first quarter of

2000 at the latest. Qualified women candidates and scholars from developing/transitional countries are strongly encouraged to apply.

Only candidates who meet the required qualifications should apply. Applications, including full curriculum vitae, should be received by **31 October 1999**, and addressed to the Director of UNU/WIDER. Information on research programmes and details of these vacancies can be found on the UNU/WIDER website (www.wider.unu.edu).

Programme Announcements

Research Internships provide Ph.D. students the opportunity to conduct research for 4 to 6 months with the Institute's faculty in Helsinki, commencing either in March or August 2000, on a topic related to the research programme of UNU/WIDER. Special emphasis is given to applicants from developing and transitional countries. A travel grant and stipend is provided. It is expected that 4 to 5 interns will be selected. Applications should include: a letter of reference from the student's supervisor(s) and a formal agreement from the candidate's own university authorities. Forms can be downloaded from the UNU/WIDER website, obtained by e-mail, or by writing to UNU/WIDER.

The Short-term Sabbatical Programme provides overseas researchers and academics an opportunity to spend 2 to 5 months in 2000 (except July and August) in Helsinki, interact with the resident academic staff and contribute to the UNU/WIDER research programme with a paper to be included in a publication series. Applicants must arrange sponsorship to cover their cost of participation in the programme. Financial support will be provided to partially cover living expenses. Three to four scholars will be selected. Applications should include detailed curriculum vitae, a

list of publications, the topics of the proposed research and the preferred time for the sabbatical.

Research areas include: economics of transition, long-term development prospects in sub-Saharan Africa, institutional, poverty and distributive issues, international financial and growth issues, and national and global governance.

Information on UNU/WIDER and details of the above programmes can be obtained at the Institute's website: www.wider.unu.edu.

Applications for both programmes should reach UNU/WIDER (attn: Principal Academic Officer) by **31 October 1999**.

Visitors to UNU/WIDER

Mr **Carlos Magarinos**, Director General of UNIDO (5 February).

Mr **Anton Krudernik**, Assistant Administrator and Regional Director on CIS at UNDP (15 February).

Mr **Noel Reynado**, Compensation Policy Officer UN/OHRM (15-20 February).

Professor **Yung Chul Park**, Department of Economics, Korea University and director of the UNU/WIDER research project on Financial Contagion and Crises (16 March).

Dr **David Husband**, Acting Director of UNDP Tumen Secretariat in Beijing (26 March).

Dr **Wolf Grabendorff**, Director of the Institute for European-Latin American Relations (17 April).

Dr **Cecily Neil**, Social Impact Consulting Services (17 April).

Dr **John W. Sewell**, President of the Overseas Development Council, Washington DC (22 April).

Dr **John Donahue** and Dr **Sasha Alexander Zouev**, from UNICEF (27 April).

Representatives from the departments for international development cooperation of the Nordic countries visited the Institute for discussions. Mr **Raimo Anttola** and Ms **Anneli Vuorinen**, Finland, Professor **Ole Molgaard Andersen**, Denmark, Ambassador **Rolf Berg**, Norway and Mr **Magnus Alvesson**, Sweden (11 May).

Dr **Hope P. White Davis**, the President of WAFUNIF and Dr. **Jorge E. Dominguez**, the Ambassador of Mexico to Finland (27 May).

Dr **Juha Sylvester Rautjärvi**, International Atomic Energy Agency (28 June).

Dr **Wolfgang Lutz**, International Institute for Applied Systems Analysis (12 July).

Dr **Peter Zalite**, Ventspils Augstskola (12 August).

Dr **Andrew J. Flatt**, Director, Statistics Division, ESCAP (18 August).

A group of students from the University of Jyväskylä visited the Institute on 6 May.

Project Meetings September - December 1999

10-11 September, Helsinki, 'Group Behaviour and Development' *Project Directors, Professors Judith Heyer, Frances Stewart and Rosemary Thorp.*

17-18 September, Helsinki, 'Globalization and the Obstacles to the Successful Integration of Small Vulnerable Economies', *Project Director, Dr Mansoob Murshed.*

25 September, Barcelona, 'The Impact of Privatization and the Regulation of Utilities and Social Services in Latin America', *Project Co-Director, Dr Cecilia Ugaz.*

10 - 12 November, Helsinki, 'EMU and its Impact on Europe and the Developing Countries', *Project Director, Professor Charles Wyplosz.*

19-20 November, Helsinki, 'Financial Contagion: How it Spreads, How it can be Stopped', *Project Director, Professor Yung Chul Park.*

11-13 December, Helsinki, 'Rising Income Inequality and Poverty Reduction: are they Compatible?', *Project Director, Professor Giovanni Andrea Cornia.*

University Lecture Series

UNU/WIDER research staff teach a range of courses at the University of Helsinki and the Helsinki School of Economics and Business Administration as well as at universities outside Finland. These courses are offered to full-time registered students in the respective universities.

Forthcoming courses

The Economics of the Information Society at the Helsinki School of Economics and Business Administration, 7 September - 24 October 1999. *Lecturer, Matti Pohjola.*

The Economics of Development at the University of Helsinki, 2 November - 9 December 1999. Main building, lecture room 6. *Lecturers, Tony Addison and Mansoob Murshed.*

The Economics of Development (Advanced Course) at the University of Helsinki, 14 March - 20 April 2000. Main building, lecture room 6. *Lecturers, Tony Addison and Mansoob Murshed.*

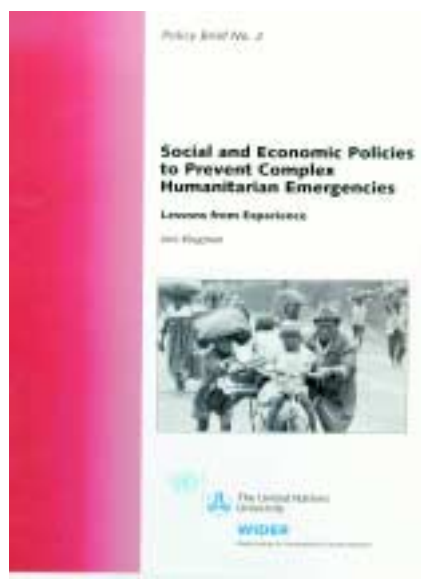
UNU/WIDER Publications

New Titles January - July 1999

Policy Briefs

free of charge

Policy Brief No. 2 **Social and Economic Policies to Prevent Complex Humanitarian Emergencies: Lessons from Experience**, Jeni Klugman, March 1999.



Research for Action

USD 8.00 / FIM 30.00

RFA47 **The Asian Currency Crisis: Origins, Lessons, and Future Outlook**, Abdur R. Chowdhury, February 1999

RFA48 **Social Funds in Stabilization and Adjustment Programmes**, Giovanni Andrea Cornia, April 1999

Working Papers

USD 5.00 / FIM 20.00

WP155 **The Weightless Economy in Economic Development**, Danny Quah, January 1999

WP156 **Wage Reform, Soft Budget Constraints and Competition**, Jian Sun, February 1999

WP157 **Liberalization, Globalization and Income Distribution**, Giovanni Andrea Cornia, March 1999

WP158 **Inequality in Incomes and Access to Education: A Cross-Country Analysis**, Daniele Checchi, April 1999

WP159 **Economic Theories of the Household: A Critical Review**, Päivi Mattila-Wiro, April 1999

WP160 **Rising Wealth Inequality and Changing Social Structure in Rural China, 1988-95**, Terry McKinley and Mark D. Brenner, May 1999

WP161 **Group Behaviour and Development**, Judith Heyer, Frances Stewart and Rosemary Thorp, June 1999

Research in Progress

free of charge

RIP19 **The Change in the Financial System and Developmental State in Korea**, Kang-kook Lee, February 1999

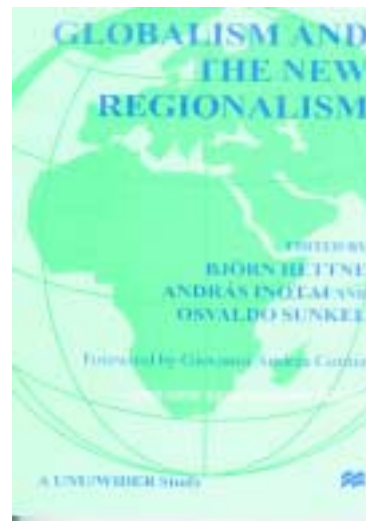
RIP20 **Regional Development and Government Policy in China's Transitional Economy**, Jane Golley, April 1999

RIP21 **Investment in Education and Income Inequality**, Juha Honkkila, May 1999

Journals

Journal of International Development, Volume 11 No. 3 (May/June 1999). Publisher: WILEY press. Special issue edited by Giovanni Andrea Cornia and Nguyuru H. I. Lipumba: **The Impact of the Liberalization of the Exchange Rate and Financial Markets in sub-Saharan Africa.**

Books



Edited by Björn Hettne, András Inotai and Osvaldo Sunkel, *The New Regionalism Series/International Political Economy Series*, Macmillan Press Ltd, 1999, 270 pp. ISBN 0-333-68707-8 hardback, ISBN 0-333-68708-6 paperback.

WIDER Publications

Publications such as the *Research for Action* series, Working Papers, Policy Briefs, Newsletters, and the Public Lectures are published in PDF format on the Institute's website (www.wider.unu.edu).

Books are available from the publishers and their outlets at the list price plus handling and mailing costs.

Please address your orders for UNU/WIDER publications to Ms Tuula Haarla at the address given on page 12 (e-mail tuula@wider.unu.edu).

Payment by: USD bank draft payable to UNU/WIDER; credit card (Amex, Eurocard, MasterCard, OK, Visa); and in FIM/EURO or USD to the Institute's bank account (please ask for details). An invoice will be provided on request.

News from the One Percent for Development Fund



The community of Lovaso-Mahatazana, Madagascar

A wash house for 150 families is nearing completion in the village of Lovaso-Mahatazana hill in Madagascar. This construction project is supported by the Fund and work is undertaken by members of a humanitarian association. The project aims to ease the burden of women who must carry water from the lower part of the hill and to instruct children in hygiene.

The Fund considers project proposals and approves grants to finance small development projects in poorer developing countries. Preference is given to projects which:

- seek to achieve a more equitable social and economic structure and which promote the participation of people in their own development
- directly benefit the least favoured sections of the population (particularly poor children and families)
- promote collective self-reliance through popular participation
- promote activities at the local level and development from below
- focus on the production of essential goods and services, including staple food production, primary health care, basic education and potable water supplies.

Members of the Fund include the Institute's staff who contribute one percent of their monthly salary.

For more information on the Fund and its activities and for submission of project proposals, contact the President, One Percent for Development Fund at UNU/WIDER. ■



The United Nations
University

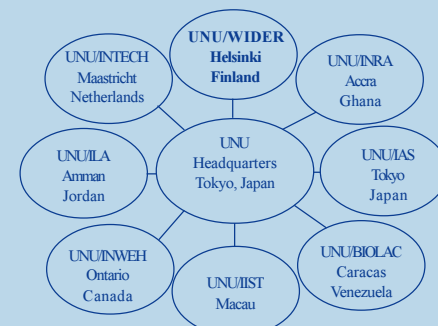
WIDER

World Institute for Development
Economics Research

UNU/WIDER was established by the UNU as its first research and training centre and started work in Helsinki, Finland, in 1985. Through its research and related activities, UNU/WIDER seeks to raise unconventional and frontier issues and to provide insights and policy advice aimed at improving the economic and social development of the poorest nations.

WIDER Angle is the newsletter of the World Institute for Development Economics Research of the United Nations University (UNU/WIDER). Published twice a year, the newsletter focuses on the Institute's research activities. It is distributed free of charge. The newsletter is also available on our website at: www.wider.unu.edu.

Editorial contents by Tony Addison, (e-mail: addison@wider.unu.edu). Design and layout by Ara Kazandjian, (e-mail: ara@wider.unu.edu).



UNU/WIDER

Katajanokanlaituri 6 B
00160 Helsinki, Finland
Tel. (+358-9) 6159911
Fax (+358-9) 61599333
Telex 123455 unuei fi
E-mail wider@wider.unu.edu
Website www.wider.unu.edu

For further information on the Institute's activities, please contact:
Mr Ara Kazandjian,
tel. (+358-9) 61599210,
e-mail ara@wider.unu.edu.

Printed at Oy Nord Print Ab
Finland, 1999
ISSN 1230-9544