

INTERNATIONAL



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NATURAL ASSETS

The Western world can help developing countries manage their mineral wealth to mutual benefit. Martin Ince talks to Paul Collier, an expert on world development issues ›

Paul Collier, Professor of Economics and Public Policy at the University of Oxford and director of its Centre for the Study of African Economies, is a highly visible public intellectual working in the vital field of world development. His career has spanned academe and the public sector, including five years at the World Bank.

The author of two best-selling recent books, *The Bottom Billion* and *The Plundered Planet*, he is in demand in both the rich and developing worlds as a speaker and adviser.

At a time when people in Britain may be questioning the need for international aid, he is quick to defend it. Although the UK's own finances are far from healthy, he regards aid partly as a responsibility, and partly as an opportunity that the UK should be quick to grasp.

The UK's responsibility is to the Bottom Billion, who, he explains, are not simply the world's poorest people. "There are poor people in the US," he says, "but they are not Britain's problem. The issue is that there are about 60 smallish countries that are not on track to lift their populations to prosperity. We can eliminate poverty in these nations over the next quarter of a century if we confine aid to nations that really need it." He supports the increasing concentration of UK aid on this smaller group, and has some sympathy for the argument that China and India no longer need aid from the rest of the world.

But his real interest now is in what he calls a one-off opportunity for many developing world nations to enhance their economic prospects permanently via the exploitation

of their natural resources. As Collier explains: "If you look at an average square mile of the OECD nations, you will see that about five times as much mineral wealth has been discovered there as in an average square mile of Africa. That is not because Africa is less favoured geologically. It is because it has not been searched so thoroughly."

Collier points out that many big mineral discoveries are now being made each year in Africa and other parts of the developing world. Some involve oil and gas, others solid minerals such as iron ore. They are bringing poor nations new cash flows that dwarf Western aid budgets.

MANAGING RESOURCES

The problem is how to manage this wealth. Collier is in constant demand to discuss this issue, making about 20 visits per year to Africa, addressing audiences such as a Paris gathering of all French ambassadors, and coming on ahead of

Al Gore in the famous TED Talks conference.

His message is that the governance of these resources poses problems for the rich and developing worlds alike. He asks: "Are we going to repeat the history of plunder and dishonesty from the past, or will this money lead to development?"

There are already some encouraging examples of nations using mineral wealth in the right way.

Examples include Malaysia and Botswana. This feat, he explains, has three main components: rules and laws, institutions to enforce them, and a critical mass of informed citizens who understand the issues.

Collier points to China as a nation that needs to expand its informed critical mass, whose slow growth has allowed power to remain concentrated. But other nations face the same challenge. Ghana has taken a decision to invest 30 per cent of its oil revenue, says Collier, and is building the institutions it needs. But he stresses that growing an informed citizenry is the "real battleground".

The question as he sees it is whether developing world nations can build a "narrative of stewardship" about their natural resources and the wealth they bring. "In the past," says Collier, "people in countries with mineral wealth have not felt rich. They think governments are stealing their wealth, and they feel entitled to steal it themselves. Nigeria is one example, and there you have hyper-suspicion of government."

The task is to make people think that this wealth can be turned into productive assets for their children. Collier warns that the current resources boom is a one-off. In a



THE UK AID PROGRAMME IS WELL RUN AND HAS BROUGHT US RESPECT FROM OUR PEERS



PREVIOUS PAGE
IN THE DEMOCRATIC REPUBLIC OF CONGO THERE IS A LUCRATIVE TRADE IN MINERALS - PEOPLE STRUGGLE TO EARN A LIVING BY MINING CASSITERITE AND COLTAN - BACK-BREAKING AND DANGEROUS WORK
LEFT MINERS DIG FOR COPPER NEAR LUBUMBASHI, THE DEMOCRATIC REPUBLIC OF CONGO, WHERE THERE IS ONE OF THE LARGEST COPPER DEPOSITS IN THE WORLD; MOST OF IT IS EXPORTED TO CHINA

generation, some of the resources now being discovered will be gone, and others will have been made irrelevant by technological change. He says: "I always advise people in the developing world to regard this resources boom as a one-generation effect."

He emphasises that the rich world has a key part to play in the transition that is now needed, and the UK is an especially important part of the picture. He says: "In every country in the world, it is illegal to loot the public purse. But poor countries find it hard to enforce the law against 'rich criminality'. Plundered money flows through G8 [rich world] banks, with the connivance of G8 citizens – \$14 billion of oil is plundered in Nigeria every year. We could track and stop this money. If we tightened our laws, our scrutiny and our enforcement, and did more investigation and prosecution, we would make it easier for developing world governments to seize the opportunity they now have."

LOOKING TO THE LONG-TERM EFFECTS

From Collier's perspective, helping these governments now will mean that in the long term, they will not need our money. If they miss the current opportunity, they may need it forever. In addition, this concern with the management of natural resources chimes well with our growing awareness of climate change. As Collier says: "Stewardship is about building up one asset as you run down another. Global warming is about not building up a huge natural liability. So they both involve treating natural assets with a due regard for the future and creating a viable economy."

Collier is co-director of the International Growth Centre, a joint venture between the London School of Economics and Oxford, funded by a £50-million award from the UK Department for International Development. He has good relations with the current government, and



points out that the UK aid programme is a definite source of soft power for Britain.

"The UK aid programme is well run and has brought us respect from our peers and affection from many recipients. Africa is the world's fastest-growing region and the UK is well-placed to benefit from this growth. The fact that we are being generous at a time of austerity has been noticed, and does us a lot of good. The US is now savaging its aid budget even though, like UK aid spending, it is far too small for the cuts to affect their fiscal deficit." ■



Martin Ince is principal of Martin Ince Communications. He is a freelance science writer, media adviser and media trainer



ANTICLOCKWISE FROM ABOVE
A DIGGER LOADING ROCK AND ORE ON TO A TRUCK IN AN OPEN CAST DIAMOND MINE IN BOTSWANA – A COUNTRY THAT IS ONE OF AFRICA'S SUCCESS STORIES; PAUL COLLIER TRAVELS THE GLOBE TALKING ON WORLD DEVELOPMENT; TIN MINING IN MALAYSIA, WHERE THE COUNTRY'S MINERAL WEALTH IS BEING WELL MANAGED; SEARCHING FOR COPPER IN DANGEROUS CONDITIONS IN THE CONGO

GETTY/ALAMY

PROFESSOR
TIMOTHY BESLEY
London School of Economics

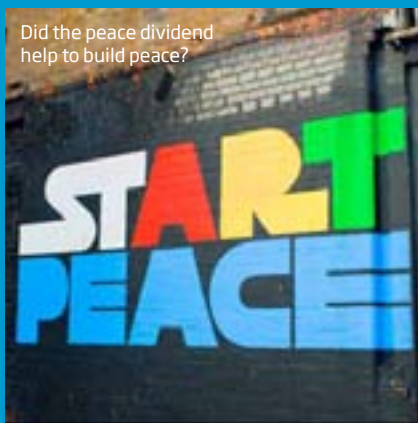
DR HANNES MUELLER
Barcelona Graduate
School of Economics

OPINION: THE VALUE OF PEACE

PAYING DIVIDENDS

Professor Tim Besley and Dr Hannes Mueller look at how other war-torn countries can learn lessons from the final peace process in Northern Ireland

Did the peace dividend help to build peace?



When Nobel peace prize-winner Archbishop Desmond Tutu delivered a sermon for South Sudan's first birthday in July 2012, he told the nation's leaders: "Stop fighting and wealth will follow." But what is the evidence that ending conflict can deliver economic regeneration? And might the possibility of a 'peace dividend' itself contribute to lasting peace? The peace process in Northern Ireland provides an opportunity to estimate the value of peace. Violent conflict flared up there in the late 1960s and ultimately claimed around 3,500 lives before the Downing Street Declaration was signed nearly 20 years ago in December 1993. The conflict caused major economic dislocation, but as peace took hold, the economy began to be repaired.

PEACE AND HOUSING

In a study published in the *American Economic Review*, we use house prices to measure the peace dividend. The basic idea is that willingness to pay for a house will reflect investors' and homeowners' perceptions of the value of peace. Between 1992 and 2009, the average house price in Northern Ireland more than quadrupled. This gives a misleading picture of the value of peace as the period saw prices rising similarly in England and across the British Isles.

But we know that while some regions in Northern Ireland were heavily affected by the violence, others were peaceful throughout the conflict. We can therefore drill down into the

housing data to compare prices in violent and non-violent regions before and after the cessation of violence. It turns out that after the peace process began, house prices started to converge. The peace dividend can then be measured as the difference in house prices between the violent and peaceful regions during the conflict. One of the biggest concerns during any peace process is the chance of a relapse. Despite the Omagh bombing in 1998, which killed 29 people, Northern Ireland saw a fairly permanent shift in violence after 1993. This matters for estimating the peace dividend, especially when making a long-term investment such as buying a house.

At what stage did expectations about the future change and by how much? Research methods developed for analysing business



THE PEACE DIVIDEND CAN BE MEASURED AS THE DIFFERENCE IN HOUSE PRICES BETWEEN THE VIOLENT AND PEACEFUL REGIONS DURING THE CONFLICT

cycles can be used to deal with the problem that we don't know exactly when peace arrived in Northern Ireland and whether its timing varied across regions. Data on killings is potentially informative about what people care about – peace or conflict – so they can measure expectations about peace. This approach can be used to explore the size of the peace dividend region by region. We find that Belfast benefited most with an increase in house prices of between six and 17 per cent. Mid- and Southwest Down and

Londonderry/Strabane experienced house price increases of between two and eight per cent. Other regions were largely unaffected by the conflict and did not benefit as much.

Did the peace dividend help to build peace? Anecdotes suggest that even Republican sympathisers were gambling on houses on Belfast's sectarian dividing lines in the 1990s. One bought six houses nearby, paying around £7,000 per house in the belief that if he spent £3,000 on each and the peace process held, they would be worth about £35,000 apiece. If the peace process didn't hold, the investment would become worthless. In this way, the possible dividends helped to create a vested interest in peace and might have helped to stabilise it.

HELPING CONFLICT FURTHER AFIELD

Every conflict is different, but what might our findings imply elsewhere? Baghdad, for example, is a city 10-15 times the size of Belfast and the current level of violence per capita is around 2.8 times higher than in Belfast during the 1980s. But the mixture of insurgency and sectarianism has parallels with Northern Ireland. We can use our estimates from there to ask what would happen if Baghdad entered a phase of peace comparable to the peace in Belfast. These suggest that the peace dividend in Baghdad would be between 16.4 and 46.4 per cent.

We can also get an idea of the economic effects of current events in Syria. The city of Homs experiences violence per capita more than 48 times as intense as Belfast in the 1980s. If there was a functioning housing market, our estimates suggest a collapse in house prices of only an eighth to a third of what they were before the conflict started. Reversing this collapse suggests a sizeable stake for citizens in ending the conflict if only this could be engineered.

So the example of Northern Ireland is not only useful for calibrating the peace dividend: it can also give hope to other places where long conflicts have reduced the quality of life. The potential gains and losses in the value of fixed assets vividly illustrate Archbishop Tutu's maxim: stop fighting and wealth will follow. ■

ideas.repec.org/a/aea/aecrev/v102y2012i2p810-33.html



The elderly in India continue to work unpaid and unrecognised

deep old age, to support themselves and help out younger relatives. The study found that although the social pension of only Rs400 per month (£5.57 at September 2010 conversion rates) was small, its regularity provided a degree of economic security to older people, making them credit-worthy and enabling them to buy medicines. Even so a Rs400 pension could only supplement incomes when 97 per cent of rents in low-income settlements were significantly over Rs300 per month.

One of the aims of the project was to change attitudes to older people's needs and rights as citizens. It has directly contributed to

THE DIFFICULTIES OF THE OLDER POOR HAVE BEEN EXACERBATED WITH AT LEAST A THIRD OF PEOPLE OVER 60, AND

20%

OF PEOPLE AGED 70-79 WORKING

government action to support the economic security of older people in Tamil Nadu (South India), which led to the doubling of the social pension, and benefited over 1.5 million people.

New funding from Research Councils UK will allow the study to show the impact of increased pensions on livelihoods in Chennai, and the researchers will work with HelpAge India, the Right to Food Campaign and other key organisations to create a toolkit for activists and policymakers. The study demonstrated that in economies with a large informal sector, pressure on incomes and job security, insufficient government services and high inflation, the older urban poor are forced to earn an income or to make it possible for their families to work. But if a state fails to recognise older people's contribution to the economy, their needs as workers and their rights as citizens, then their productivity and wellbeing are constrained, and this has a knock-on effect on their families and the economy.

While it is unlikely that social pensions will release all older people from work in a developing economy, they can have a significant impact on older people's livelihoods, including giving them the means to reject the most onerous and demeaning jobs open to them. ■

www.rcuk.ac.uk/media/brief/pages/healthsoccase.aspx

INDIA

An age-old dilemma

India's ageing population plays a significant role in the urban economy, but this is ignored by the state

RESEARCHERS FROM Birkbeck, University of London Centre for Law, Policy and Human Rights Studies, Chennai and Oxford University, have been examining older people's urban livelihoods in developing countries' cities under neoliberal policy regimes. The study, funded by Research Councils UK's New Dynamics of Ageing Programme, examined 800 households in five of Chennai's (India's fourth largest city) low-income settlements, comparing their circumstances between 2007-2010 with 1990-1991. It found that the difficulties of the poor and the older poor, in particular, have been exacerbated. In addition, it found that at least one-third of people over 60, and 20 per cent of people aged 70-79 work, and that there was a significant proportion of older people who worked every day in family businesses who were classified as 'helpers' rather than workers.

The study found that older people play significant paid and unpaid roles in the urban economy, but that these roles are unrecognised by the state. As small vendors they distribute agricultural produce across the city – the end-point of an industry that employs 50 per cent of India's workforce. As paid and

unpaid cleaners, childminders and cooks they release women into the workforce, expanding the overall workforce including the supply of female workers for the factories and IT companies catering to the global market.

They keep the costs of inputs and overheads down throughout the economy by processing materials for critical sectors at low cost (breaking bricks to make rubble for the construction industry), by providing low-cost labour to companies (as security/attendants and cleaners) and by providing low-cost services to the workforce (rickshaw pulling, night-watchman services, small building repairs).

UNSUNG HEROES

But the contribution of older people to the economy is entirely disregarded by economic policymakers and planners and instead of facilitating work in old age, or providing pensions to all who need them, state policies assume that families can provide for the aged.

Poverty and neoliberal policies constrain young people's capacity to provide or care for the aged and instead of 'retiring' from work, the urban poor are forced to work into

RENDITION

The truth about rendition

The mechanisms allowing rendition as a counterterrorism tool are still in place, so what happened to human rights?



Detainees are still being kept at secret sites around the world, despite the practice being a violation of international agreements

A RESEARCH PROJECT on rendition has found that the global system initiated by the Bush administration in the 'War on Terror' is much more dynamic than previously thought. It also continues to operate under President Obama. Rendition refers to the movement of detained persons across state boundaries outside of any legal framework. It has involved the detention and torture, in secret, of hundreds of detainees, sometimes for many years, in scores of detention sites around the world. These practices violate US and international law.

A research team led by Dr Ruth Blakeley (University of Kent) and Dr Sam Raphael (Kingston University) is working closely with Reprieve, a UK-based legal action charity that has investigated secret prisons and represented victims of rendition and torture. The team has collated data on hundreds of victims of rendition, secret detention and torture since 2001; more than 6,500 flights by 140 aircraft connected to the CIA renditions programme; and the involvement of 45 countries in the rendition system.

A GLOBAL NETWORK

Even though President Obama made some changes to the global rendition system, the research finds that he left intact the mechanisms that allow for rendition, illegal detention, and

LABOUR REGULATIONS

A POOR OUTLOOK

The lowliest workers in China and India need support as they suffer from neglectful labour conditions

DOES IT MATTER if you don't know who your employer is? Research funded by the ESRC and the UK's Department for International Development (DFID), and led by Dr Jens Lerche of the School of Oriental and African Studies (SOAS), University of London, has found that more and more people in India and China don't know who their ultimate employer is, as labour contractors, subcontracted workshops and home-based workers are becoming widespread. These workers are at the bottom of the pile for pay and employment conditions.

Dr Lerche and his colleagues Professor Terry McKinley, Dr Dae-Oup Chang, Dr Alessandra Mezzadri, Professor Emeritus Henry Bernstein, as well as Professor Ravi Srivastava from JNU, India,

and Dr Pun Ngai, Hong Kong Polytechnic University, find that in India and China getting a job might not be enough to escape poverty; it may simply be a ticket to join the 'working poor'. The project investigates how the working poor fared during the financial crisis and how they are doing now. It focuses on labour conditions in Shanghai and Delhi, in the garment and construction sectors - the core sectors for the working poor outside agriculture.

SILENT SUFFERING

In China various pro-labour laws have been put in place and minimum wages have increased, but our research shows that this may be undermined by unofficial contract labour, subcontracting and

low piece-rate payments. In India contract labour dominates and some states are relaxing legal contract labour employment limits. The research investigates the role of firm-level determinants on labour contracting and labour conditions. This includes differences arising from the orientation of production: for export or the domestic market, the degree of subcontracting and contract labour, and the type of ownership (multinational or national, public or private).

Early indications are that conditions for some workers in large, export-oriented garment firms in India are better than in smaller units. But this is undermined by trends towards increased subcontracting and contract workers. Type of ownership seems to matter less.

The research hopes to identify how the labour conditions of the workers could be improved. The policy focus is on the impact of labour regulations, social protection and labour organisation; such labour-oriented policy topics have been neglected in poverty analysis. ■

www.soas.ac.uk/development

torture by third parties. He did end the use of secret CIA prisons and secret detention and torture by US agents, and also outlawed rendition for the purpose of torturing detainees, but rendition itself has not been outlawed. It explicitly remains as a US counterterrorism tool.

Secret detention and torture are outlawed to the extent that the detainee is "in the custody or under the effective control of an officer, employee, or other agent of the US government, or detained within a facility owned, operated, or controlled by a department or agency of the US, in any armed

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RENDITION HAS INVOLVED THE DETENTION AND TORTURE, IN SECRET, OF HUNDREDS OF DETAINEES

conflict'. This means the CIA and Department of Defense personnel have not been expressly forbidden from aiding the secret detention and torture conducted by others. The US Department of Defense retains the authority to detain

terror suspects anywhere in the world and can still illegally transfer detainees between states for military detention elsewhere.

The project has established a website that will feature analysis of the detention facilities; detainee profiles, tracking their detention, movement and treatment; access to hundreds of key primary documents; and key data from the world's largest database of flights by CIA aircraft connected to rendition, compiled by the Rendition Project. ■

www.therenditionproject.org.uk



Workers still need support despite pro-labour laws

FILTHY LUCRE

How bribery affects ordinary people around the world

CORRUPTION THAT MAKES the headlines involves the payment of big sums of money to a few people for a very big benefit, such as a multi-million pound contract to supply military equipment. But the corruption that affects most people involves the payment of small sums of money to a large number of public employees for benefits that people are entitled to receive free.

A research project led by Professor Richard Rose FBA, director of the Centre for the Study of Public Policy, University of Strathclyde Glasgow, seeks to answer questions about how much or how little bribery affects the contacts that ordinary people have with those who deliver public services in their community. The research uses a unique database of sample surveys of people in more than 125 countries and research findings are being fed into the activities of Transparency International (TI), the leading international non-governmental organisation campaigning against corruption.

When ordinary people are asked whether anyone in their family has paid a bribe for any public service in the past year, four-fifths say no and in Britain barely one in 100 families has done so. This is not because Britons avoid using public services; the average family makes use of two or three services a year. This high level of integrity is matched in Northern Europe. But in Southern Europe more than one in eight Italian and Greek families report paying a bribe and in Eastern Europe the proportion is as high as 31 per cent in Romania.

BRIBE WARS

In developing countries the proportion paying bribes for services that they are nominally entitled to receive free is 20 per cent in Latin America, 23 per cent in societies formerly part of the Eastern European Communist system, 25 per cent in Asia, and 54 per cent in Africa. The tendency of bribery to be more common in developing countries is particularly worrisome, because the burden of bribery occurs where incomes are low and public services are sometimes scarce.

Bribes are most often paid for services that people are entitled to receive free of

Bribery isn't as common as most people believe



charge. In more corrupt societies it is most often found in the health service, involving under-the-table cash payments to doctors, hospitals and for drugs. Among families with children, bribes are equally likely to be paid for education, such as admission to a good school, tuition by a teacher, or for nominally free textbooks. One-third of those

who have had contact with the police in the past year report paying bribes. The absolute number paying bribes is fewer, because most people avoid making use of the police.

The good news is that most public officials are honest and teach children or help the sick because that is what they know how to do and what they want to do. If making money were their goal, there is more lucrative work they

could seek, whether legal or illegal. But there is still a widespread popular perception that government tends to be corrupt. Moreover, the institutions that are considered most corrupt are those central to democratic politics, such as Parliament and political parties.

In Britain the popular perception of corruption in parties, Parliament, the media and business is actually higher than the global average. The negative British evaluation reflects numerous scandals that the media have headlined such as MPs' expenses. Even though popular perceptions of corruption are far removed from what ordinary people actually experience, perceptions may nonetheless have a corrosive effect on popular trust and support for public services on which many families rely for their everyday welfare. ■

www.cspp.strath.ac.uk

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THERE IS STILL A WIDESPREAD POPULAR PERCEPTION THAT GOVERNMENT TENDS TO BE CORRUPT

HEALTH DELIVERY

A healthy option for Africa

Harmony must reign over medicines control regulations

GLOBALLY IT IS becoming more and more difficult to meet individuals' health challenges and treatment needs due to the increasingly complex and interconnected labyrinth of supplies of different health remedy components. This is especially so in Africa, where limited capacity to manufacture medicines combines with economic and environmental factors, acting singly or in combinations, to exacerbate the health care challenge. These factors range from population increases that put higher demand on health services, the emergence of new global disease epidemics and increased travel, to organisational, human resource and institutional weaknesses.

In many places, a globalised network of actors and actions has replaced locally available solutions – handicapping and strengthening alike the ability of individuals to readily find solutions on their own. But this reality is not only for the individual. National governments too are facing numerous problems that cannot be solved unilaterally due to an increase in collective problems attributable to globalisation and rapidly advancing technological frontiers. There has also been a so-called 'erosion of the long-familiar building blocks of the political world', and countries increasingly find themselves having to co-operate with others

to solve the shared dilemmas that transcend national boundaries.

The quest for harmonised approaches in various aspects of health delivery systems has been an area of huge academic, policy and practice interest in Africa and globally. The African Union (AU) and the New Partnership for Africa's Development (NEPAD) are currently championing harmonisation through

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IN AFRICA
FACTORS
COMBINE TO
EXACERBATE
THE HEALTH
CARE
CHALLENGE

Africa's Regional Economic Communities (RECs). They have received technical and financial support from organisations, such as the UK's Department for International Development (DFID), the Gates Foundation, the Clinton Health Access Initiative, World Bank and others to facilitate the development of a harmonised medicines regulatory system that removes some of the bottlenecks

in developing new treatments and delivering them to patients across Africa.

A two-year study conducted by Dr Julius Mugwagwa of The Open University, within the ESRC Innogen Centre, with additional funding from a Leverhulme Early Career Fellowship (2009-2011), systematically analysed past, ongoing and planned harmonisation initiatives in Africa. The study sought to identify and analyse the pros and cons of harmonisation approaches and outcomes, advance and critically analyse ways to measure



their effectiveness, and identify ways to improve implementation and results.

INNOVATIVE TREATMENT

The findings confirmed the existence and persistence of an active medicines control harmonisation agenda in Africa. The agenda is now strengthened by a new wave of what stakeholders are calling an 'experience and evidence-inspired innovation approach' that is rooted in regulatory, pharmaceutical industry, patient and health care professional realities.

Harmonisation of medicines control systems is, indeed, seen as a desirable and feasible option for Africa, and one that should systematically draw lessons from the US, Europe and Japan where significant savings in time, financial and workforce resources have been realised through harmonisation of medicines regulatory review processes.

SHAME ON YOU

How does the stigma of poverty make people feel?

ADULTS AND CHILDREN feel ashamed because of their poverty, whether they live in Britain or India, Uganda or China, Pakistan, South Korea or Norway. Research by an ESRC/DFID-funded international team of 12 led by Robert Walker and Elaine Chase, working in differing communities in the seven disparate countries above, finds that people in poverty

are variously made to feel ashamed by more affluent people around them, by officials who process their claims for assistance, by the media that denigrate them, and by politicians who present them as 'a burden' to win electoral support from taxpayers.

Those of us not experiencing poverty are, consciously or not, collectively contributing to the shaming of people facing economic hardship, which demonstrably reduces their self-confidence and undermines their ability to help themselves. This realisation is beginning to have an impact on policymaking circles globally. Before beginning fieldwork, the researchers examined creative literature, film and oral traditions to establish how poverty and shame were thought about and discussed in the different cultures. Then they

spoke to a total of over 300 adults and children experiencing poverty as judged by local standards.

POOR MISCONCEPTIONS

Those in India were mostly daily labourers, living in small timber and thatch dwellings with soil floors and cooking outside; in Britain, all lived in social housing, the majority receiving benefits, although many had previously worked; and in Norway, all claimed benefits and lived in well-equipped apartments, albeit small by Norwegian standards. Researchers also spoke with groups of adults and, if possible, to children who were more affluent.

Respondents living in poverty felt ashamed at being unable to feed, clothe and properly look after their children, to fulfil other family obligations and to participate socially. They were shamed at work,

Harmonisation of medicines control systems is desirable for Africa



But there is increasing realisation by the various actors championing the harmonisation agenda that it encompasses and will continue to encounter varied commercial, regulatory, health professional and patient interests. The most effective way to manage these interests is to continuously galvanise them around the ultimate goal of having a positive impact on public health. To make this a reality, NEPAD has argued that Africa's RECs and other actors must manage these systems through an innovative approach that encompasses, among others, embedding harmonisation within regional integration agendas; balancing between commercial and health care interests; adopting a step-wise approach; recognising national drug regulatory systems as a key ingredient; and sustaining political legitimacy and leverage. ■

www.genomicsnetwork.ac.uk/innogen

in the community, at benefits offices and in school. Group discussions confirmed that richer people often scorned and deliberately spurned others who were poor, believing them to be lazy, sometimes dirty and immoral. In Britain, more than elsewhere, these ideas were garnered from the media. Feeling ashamed, people pretended things were fine and often got into debt. They avoided situations where they could be shamed, becoming isolated, depressed and even suicidal.

Informed by these findings the International Labour Organisation is recommending that its membership of 185 countries, Britain included, should have respect for the dignity of people covered by social security policies. ■

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✦ CORRUPTION

BAD INFLUENCES

Corruption in war-torn countries needs a more reflective approach

CORRUPTION POSES MAJOR challenges to development and stability in war-torn countries. Grievances about corruption can fuel insurgencies and provide incentives for violence. Corruption undermines the provision of public services like education and health care, disproportionately affecting the poor and vulnerable. As civil conflict weakens state institutions, including those normally controlling corruption (like the police and the courts), war-torn countries are also more susceptible to corruption. It is no coincidence that in 2011, 16 of the 20 countries at the bottom of the global Corruption Perception Index had experienced conflict within the last five years.

But the ways in which corruption affects security and political and economic dynamics in war-torn countries are still poorly understood. As part of an ESRC Public Sector Placement Fellowship with the Stabilisation Unit – the UK government's centre for expertise for stabilisation in conflict-affected states – Dr Dominik Zaum from the University of Reading examined the complex roles of corruption in stabilisation, the process of establishing early peace and security in countries affected by conflict and instability.

THE MANY FACES OF CORRUPTION

Corruption reflects underlying political and economic structures and dynamics. It is more important to understand how corruption affects stabilisation and the way in which corruption is organised around these structures of power, than the scale of corruption itself.

In fragile states with weak institutions, one of the key distinctions is whether power is centralised in a small, relatively cohesive political elite, or whether it is fragmented between different warlords and power-brokers. In the case of the former, corruption is often used to sustain pervasive patronage networks that reward supporters and co-opt potential challengers. Weak states where corruption is centralised can be stable for a long time, even if their iniquity can undermine legitimacy and stability in the long run, as witnessed in Tunisia and Egypt in 2011. Where power is fragmented, corruption is more likely to

fuel violence and instability as power-brokers compete over control of the state and resources.

While corruption might be rampant in both environments, its particular organisation shapes the outcome: Afghanistan (where power is fragmented) and Myanmar (where it is centralised), have comparable levels of corruption, but its impact on security, economic development and governance clearly differs. Corrupt actors are generally considered rogues and criminals, but in war-torn countries in particular corruption can be a rational response to the challenges people face. When a lack of trust limits co-operation, relying on patronage networks is a rational survival

technique of average citizens to deal with the vagaries of daily life.

One of the consequences for the effectiveness of anti-corruption interventions of this is that many conflict-affected states lack sufficient political will to meaningfully transform the political and social order to effectively contain corruption. Importantly, this lack of 'political will' is not a question of a ruling elite's greed (this could

be an exacerbating factor), but a structural problem rooted in the wider character of the political and social order. Furthermore, anti-corruption policies that challenge structures and practices that are central to the maintenance of the existing political order can re-ignite violence, as powerful actors resist these changes. This can undermine wider stabilisation and reconstruction efforts.

Addressing corruption in conflict-affected states involves difficult moral and political trade-offs. Accepting corruption might buy stability in the short and medium term, but fuel grievances (and with it the risk of violence) in the long term. Actively pursuing the venally corrupt might satisfy our sense of justice, but undermine fragile orders in conflict-affected states. This then highlights the need for a more differentiated discussion about corruption and its roles in war-torn states, and also a need for greater reflection on the role of external actors in shaping and perpetuating such orders. ■

www.reading.ac.uk/spirs



The balance of power finally shifted in Tunisia in 2011



PROFESSOR
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OPINION: ASYLUM SEEKERS

IN AND OUT OF HARMONY

Professor Tim Hatton looks at how a more centralised policy on asylum could be better for all EU member states

In the past two decades more than six million people have applied for asylum in the EU. In the late 1990s the EU set out on a course towards a Common European Asylum System. Since then considerable progress has been made on harmonising the diverse rules and procedures on border controls, on the processing of asylum claims, and on reception conditions for those seeking protection as refugees. The process of harmonisation is still incomplete and much less progress has been made on so-called burden-sharing among member states. Whether policy integration should go deeper depends on what asylum policy should be aiming to do and whether this is politically feasible.

One basis for joint action is that, unlike other immigrants, refugees should be considered



PROTECTING REFUGEES FROM PERSECUTION SATISFIES HUMANITARIAN MOTIVES

as a public good. Protecting refugees from persecution satisfies the humanitarian motives of the host population rather than providing a direct benefit, so knowing that refugees find sanctuary in other countries should also satisfy the same motives but without the costs, which fall only on the country receiving the refugees.

As a locally provided public good, refugee protection will be under-provided when each country acts independently. This is because each country fails to take account of the humanitarian benefit that its refugees confer on the citizens of other receiving countries. If this were taken into account then each country's policy would be more generous and more refugees would be accepted.

What policies follow from this? Countries that face the largest volume of asylum claims often have the toughest deterrent policies. But the process of harmonisation tends to reduce differences in policy settings and therefore to increase the differences across countries in refugee burdens. In the absence of harmonisation, policies chosen by a social planner would be more generous, but they would also differ between countries. Thus, in the presence of harmonisation, another instrument is needed in order to reach the socially optimal distribution of refugees.

CENTRALISED CONTROL

Currently there is no effective policy for redistributing asylum applications in this way, but recent studies for the European Parliament and the European Commission have explored this possibility. One implication is that the so-called Dublin regulation (a mechanism for redirecting asylum seekers to the member state they first entered) would need to be replaced by a different form of redistribution.

Such a policy would require a much more centrally directed asylum policy and some observers doubt whether this is politically feasible. Yet social surveys reveal that more than half of Europe's voters would prefer that asylum (and immigration) policy be decided at

the international level rather than by national governments. This does not seem to be the result of respondents assuming that the burden or cost of refugee protection would simply be shifted elsewhere. And the balance of attitudes towards asylum policy is similar to those for other policy areas where there are obvious externalities, such as defence, environmental protection and the fight against organised crime.

That leaves the question of whether a more centralised policy could actually do better. There are three reasons for thinking that it could. One is that insofar as individual governments still have control over asylum policy, it is disproportionately influenced by far-right nationalist groups, which have rather less traction at the EU level. Second, recent trends in EU 'communitarianism', the entry into force in 2009 of the EU Charter of Human Rights and the inauguration in 2007 of the Fundamental Rights Agency, all suggest that centrally directed policy might be more liberal. And third, some of the basic building blocks already exist, although they currently lack teeth. These include the European Refugee Fund, the Temporary Protection Directive, and the European Asylum Support Office. ■

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The treatment of refugees is changing, but more co-operation is needed at international level



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THE FINAL WORD

LOOKING TO BLUE SKIES

How important is social science? David Willetts, Minister for Universities and Science in the Department for Business, Innovation and Skills, explains why it is more relevant than ever to all our lives

David Willetts, Minister for Universities and Science in the Department for Business, Innovation and Skills, is a connoisseur of social science who appreciates its role in government and to society more widely. And he is quick to point out that the social sciences are as vital as the natural sciences to national life.

And even in an era of constrained budgets, he is clear that governments do not spend money on research just to achieve economic growth. Instead, he says: "I am an enthusiast for blue-skies research. There has been no shift in the balance between curiosity-driven and challenge-driven or applied research. In any case, even challenge-led research is often highly speculative. Nor have we altered the proportion of the total research spend that goes to social science. Although we are using the Research Excellence Framework to think about the long-term effects of research, we understand that we cannot fully quantify the results of research in advance."

ACCOUNTABILITY

As Willetts sees it, government itself is one field in which research is of vital importance. He says: "I believe in evidence-based policy, and I think that the existence of the coalition government has advanced its cause. When two parties have to work together, you cannot just decide policy on the basis of party loyalty. This change is visible in areas such as mental health and long-term care, where evidence from the government's Foresight project on Mental Capacity has been influential. The chief scientists of government departments are a further force for good when it comes to the use of evidence in government."

He adds: "Of course, ministers are elected and are accountable to the voters. We are elected on a series of propositions about policy, not just to carry out randomised controlled trials and decide what to do on the basis of what emerges." Willetts also stresses that research is a key British asset in international trade and diplomacy. At the time of publication, he had

just returned from a large trade mission to Brazil led by Prime Minister David Cameron. He says: "At the moment Brazil is lifting a population out of poverty into prosperity, and they are less interested in our social sciences research and more interested in our technology for getting oil out of the ground. But there is high regard around the world for our universities and our science base, so even in Brazil we were talking about culture and the humanities as well as science and technology."



THERE IS HIGH REGARD AROUND THE WORLD FOR OUR UNIVERSITIES AND OUR SCIENCE BASE

He also thinks that as with the natural sciences, social science research has an important role in persuading young people to get involved in these apparently forbidding subjects. He says: "If young people find fresh, informed research about society emerging, it might help them think more rigorously about the society around them, and perhaps encourage them to study it themselves."

Willetts is also in the unusual position for a government minister of being an informed and sometimes critical consumer of social science research. Before entering Parliament he was a leader of Conservative Party policy research, especially in economics. More recently, his 2010 book *The Pinch* calls upon his own baby-boomer generation to think harder about the massive assets they have accumulated and seem inclined to spend, leaving a lot less for their children.

He says: "When I wrote the book, I found that there was plenty of analysis of the UK population in terms of class and ethnicity, but far less on how society is changing in terms of the generational balance. So I am keen to see more research on the UK's age structure. We are now supporting work on age cohorts from 1946 to 2012. There is also the problem that some of the studies that have been done were driven by the social sciences and others are more medical in origin. The new 2012 study will link the two, and we are getting genetic samples from previous cohorts to allow us to link social and medical factors [in older groups]."

CHANGING SOCIAL MOBILITY

Willetts points to the importance of this research to social mobility, one of the most contentious areas of current political debate. "At the moment," he says, "we know that the 1970 cohort has lower social mobility than the 1958 cohort. But two points do not make a trend. It would be interesting to see whether the perception of reduced social mobility is challenged by more data."

Whatever the outcome in this particular case, Willetts is reassuring about the importance of the social science community to government policy formation. Asked for examples, he cites the work of the Institute for Fiscal Studies and, from the world of education and childcare, research into approaches to early years development. "If you look at areas like this you can see that research has had a big influence on thinking," he says. ■

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