## Helpdesk Research Report

# The impact of conflict on poverty

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## Question

Provide an overview of the latest evidence since 2010 on the impact of conflict on poverty.

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## 1. Overview

This rapid review provides an overview of the latest evidence on the impact of conflict on poverty. This report is in an annotated bibliography style which describes the papers and presents their findings. It covers material which has been published since 2010.

There is consensus in the literature that conflict impacts on poverty, but evidence on how this impact occurs is often limited, unsystematic, and sometimes contradictory. Much of the literature also discusses how poverty can contribute to conflict (Justino, 2010; Valencia, 2013; Addison et al, 2010; Baddeley, 2011) and the possibility of cycles of poverty and conflict as a result.

Overall the latest evidence suggests that **violent conflict causes and intensifies poverty and its persistence** but that context is very important. (USAID, 2014; Kugler et al., 2013; Baddeley, 2011; World Bank, 2011; Addison et al., 2010; Justino, 2010; Nasser et al., 2014; ACAPS and MapAction, 2013; Bird et al., 2013; Justino and Verwimp, 2013; Valencia, 2013)<sup>1</sup>. Literature published since 2010 discusses the following themes and issues:

 Violent conflict contributes to poverty by causing: damage to infrastructure, institutions and production; the destruction of assets; the breakup of communities and social networks; forced

<sup>&</sup>lt;sup>1</sup> One small scale study in Côte d'Ivoire was unable to find much evidence that conflict changes household's socioeconomic position, although 70 per cent of households did report socioeconomic difficulties as a result of the conflict.

displacement; increased unemployment and inflation; changes in access to and relationship with local exchange, employment, credit and insurance markets; falls in spending on social services; and death and injury to people (USAID, 2014; Baddeley, 2011; Addison et al., 2010; Justino, 2010; Nasser et al., 2014; ACAPS and MapAction, 2013; Justino and Verwimp, 2013).

- Displaced households and households with widows, orphans, elderly and disabled individuals are most vulnerable to falling into poverty as a result of conflict (Addison et al., 2010; Justino, 2010; Nasser et al., 2014). Households which are already poor risk falling further into poverty (Addison et al., 2010).
- Vulnerability to being targeted by violence (for example, due to ethnicity) can also make even well-off households vulnerable to poverty, as was the case in Rwanda. (Justino, 2010; Justino and Verwimp, 2013).
- Individual's or household's ability to respond to economic shocks can determine the impact of conflict on their poverty levels in the short and long term. Common resilience strategies include: diversification of land holdings and crop cultivation; storage of grain from one year to the next; resorting to sales of assets; borrowing from moneylenders; remittances; migration; and gifts and transfers from informal mutual support networks. Alternative negative coping strategies include: looting; wages for fighting; and participation in illegal activities such as smuggling and informal trade (Justino, 2010; Nasser et al., 2014; ACAPS and MapAction, 2013; Bird et al, 2013; Justino and Verwimp, 2013; Fürst et al., 2010).
- Educated people in Uganda appear to be more resilient to poverty, with education being a valuable portable asset (Bird et al., 2013). However, where education can make you a target of violence, as in Rwanda for example, it cannot prevent vulnerability to poverty (Justino, 2010; Justino and Verwimp, 2013)
- Changes to the social and institutional environment as a result of conflict can affect people's vulnerability and ability to respond to poverty. They include changes in social cohesion and local governance structures which limit or enable people's response strategies (Justino, 2010).
- The most conflict-affected provinces and districts have the highest levels of poverty within affected countries such as Columbia, Syria, Rwanda, and Uganda (Nasser et al., 2014; Bird et al., 2013; Justino and Verwimp, 2013; Valencia, 2013).
- The least developed countries struggle most to escape and recover from conflict related poverty (Kugler et al., 2013).
- In 2011, no conflict-affected country had yet managed to achieve a single MDG (World Bank, 2011). Some progress has been made since then and in 2013 the World Bank announced that 20 fragile and conflict-affected states had met one or more MDGs, although the majority of the MDGs will not be met.
- The long-term country wide and individual effects of conflict on poverty are not clear (Justino, 2010).
- Recovery time from conflict can take upwards of 14 years and often longer (USAID, 2014; Kugler et al, 2013; Bird et al., 2013). Recovery at the macro level appears to be quicker than at the micro

level, with some evidence that poverty is long term and can be transmitted intergenerationally within some households (Justino, 2010; Bird et al., 2013; Addison et al., 2010).

## 2. The impact of conflict on poverty: General studies

# Ending extreme poverty in fragile contexts: Getting to Zero: A USAID discussion series

USAID. (2014). USAID. http://pdf.usaid.gov/pdf\_docs/pnaec864.pdf

How can we overcome the hurdles posed by fragile states in the effort towards the goal of ending extreme poverty? This USAID paper explores the issues and questions around tackling the causes of poverty and fragility using data from a literature review.

Conflict and fragility have a mutually reinforcing relationship, which in turn perpetuates extreme poverty. The illegitimate governing institutions<sup>2</sup> and ineffective delivery of key services in fragile states contribute to extreme poverty. These corrupt or exclusionary institutions can lead to economic and social disenfranchisement which are two of the most common drivers of internal conflict and instability. Fragility also makes armed conflict more likely. Armed conflict, in turn, further exacerbates extreme poverty. It destroys assets, undermines livelihoods, and diverts public resources from economically productive investments. Conflict can have long-lasting negative impacts on poverty eradication. Data drawn from the World Bank's 2011 World Development Report suggests that it takes an average of 14 years to restore prewar economic growth trajectories in countries that experienced civil war.

It is essential to support inclusive and accountable governing institutions in order to overcome poverty, conflict and fragility. Building resilience to crisis, such as the outbreak of conflict, amongst vulnerable populations can help them to climb out of extreme poverty. This can be done by building population's adaptive capacity to endure and recover from shocks and stresses.

#### Demographic and Economic Consequences of Conflict

Kugler, T., Kang, K.K., Kugler, J., Arbetman-Rabinowitz, M., & Thomas, J. (2013). *International Studies Quarterly*, 57, 1-12 http://dx.doi.org/10.1111/isqu.12002

Can population and countries recover from the demographic and economic consequences of war and post-war recovery? This peer-reviewed article examines data from the most severe international and civil wars after 1920. It finds that all countries engaged in conflict recover or overtake their demographic losses incurred in war as a result of post-war baby booms. Economic recovery assessments differ. The economic consequences of conflict are conditioned by the country's pre-war level of development. The most-developed countries recover economically from immense destruction in one generation. For less-developed societies, the outcomes are mixed. They recover only a portion of their pre-war performance. The least-developed societies suffer the most and fall into lasting poverty. They endure the highest costs of conflict and are also the least able to recover.

<sup>&</sup>lt;sup>2</sup> In the paper, illegitimate governance can entail economic institutions or financial services that are corrupt and/or exclude large segments of society, thus limiting economic opportunity.

Based on their data analysis, the authors find that foreign aid plays an incidental role in the recovery of the most-developed societies by boosting capital to help prompt economic recovery. Foreign aid can play a bigger role in the recovery of less developed societies. By supporting the building of human capital, foreign aid can make a difference to whether they recover or stagnate. In the least-developed countries, foreign aid does not effectively contribute to their recovery unless it is massive and sustained. This is because the least-developed countries endure the highest costs and have the least resources and ability to recover. Instead of the provision of additional capital, these countries require the reconstruction of the education system and the raising of political and human capital.

## Civil War and Human Development: Impacts of Finance and Financial Infrastructure Baddeley, M. (2011). (CWPE 1127). University of Cambridge http://www.econ.cam.ac.uk/dae/repec/cam/pdf/cwpe1127.pdf

This working paper from the University of Cambridge published Cambridge Working Papers in Economics explores the interactions between finance, development and armed conflict. It constructs a theoretical and empirical framework in which the complex feedbacks between conflict, development and finance are analysed to demonstrate that financial factors are crucial in sustaining poverty-conflict feedback loops. This occurs because military expenditure drains resources. This can contribute to poverty. Financial instability in turn leads to conflict (and vice versa). War impedes the development of financial institutions/infrastructure which can hinder economic development, and lead to poverty. Interactions between finance and conflict are exacerbated by distributional struggles as a result of limited economic opportunities amongst poorer groups. Natural resources such as oil, diamonds, and drug crops offer one of the few economic opportunities available to improvised groups.

The need to finance conflict has a direct impact on poverty by diverting government expenditure towards military goals. This can put pressure on government balances and spending on services. The financial markets are also negatively affected by socio-political uncertainty which impacts on the confidence of entrepreneurs and investors. This may exacerbate financial instability which can cause growth to slow down and less to be spent on employment generation and development projects. This can lead to shrinking economic opportunities for the poor which can contribute to persistent poverty.

#### World Development Report 2011: Conflict, Security, and Development

World Bank. (2011). Washington: World Bank.

http://siteresources.worldbank.org/INTWDRS/Resources/WDR2011\_Full\_Text.pdf

How can we break the repeated cycles of political and criminal violence which affect 1.5 billion people living in countries caught up in this cycle? This World Bank report is based on a growing body of multidisciplinary research, policy papers, large data sets, and consultations with relevant stakeholders. The report argues that breaking these cycles involves a) strengthening legitimate national institutions and governance to meet citizens' key needs; and b) alleviating international stresses that increase the risks of conflict (such as food price volatility and infiltration by trafficking networks).

Poverty is declining for much of the world but countries affected by violence are lagging behind. For every three years a country is affected by major violence (battle deaths or excess deaths from homicides equivalent to a major war), poverty reduction lags behind by 2.7 per cent. On average, a country that experienced major violence over the period from 1981 to 2005 has a poverty rate 21 per cent higher than

a country that saw no violence. At the time the report was written, no conflict-affected country had managed to achieve a single MDG<sup>3</sup>.

## Fragile states, conflict and chronic poverty

Addison, T., Bach, K., Shepard, A., & Wadugodapitiya, D. (2010). (Policy Brief No. 24). Chronic Poverty Research Centre.

http://www.chronicpoverty.org/uploads/publication\_files/PB%2024.pdf

What is the relationship between conflict, poverty, and fragile states? Conflict and chronic poverty often reinforce each other leading to a vicious downward spiral. This paper uses research carried out by the Chronic Poverty Research Centre on chronic poverty and fragile states to examine this relationship and suggest policies which will help prevent both conflict and poverty. It highlights the importance of building a viable social compact during post-war recovery.

Conflict intensifies and perpetuates chronic poverty. This is as a result of people's loss of assets, income and access to markets, and social service spending falling. Poor people often rely on social networks as safety nets and so conflict's destruction of social capital as a result of factors such as displacement and child soldier recruitment has devastating implications for them. Internally displaced persons (IDPs) and refugees are disproportionately found among the chronically poor.

Although challenging, it is possible to reduce poverty in violent conflict. Governments usually continue to exert control over some parts of the country and can play a key role in addressing some of the effects of conflict on chronically poor people. For example, through cash transfers to elderly, disabled, and widowed people during the conflict in Nepal. Opportunities for poverty reduction post-war are significantly better as a result of the influx of foreign aid and post-war economic growth. However, a focus on maintaining security and 'kick-starting' the economy means the needs of chronically poor people are at risk of being ignored. Those especially at risk of being neglected are women, young children, and the elderly. A focus on the chronically poor is important for escaping poverty traps<sup>4</sup> and preventing future conflict.

#### War and Poverty

Justino, P. (2010). (Households in Conflict Network Working Paper No. 81). Brighton: Institute of Development Studies.

http://www.hicn.org/wordpress/wp-content/uploads/2012/06/wp81.pdf

Why do cycles of poverty and war persist? This working paper from the Households in Conflict Network project<sup>5</sup> explores the micro level<sup>6</sup> channels linking violent conflict and poverty outcomes. It looks at when

<sup>&</sup>lt;sup>3</sup> Since then progress has been made. In 2013 the World Bank announced that 20 fragile and conflict-affected states have recently met one or more of the MDGs. However, only about 20 percent of fragile and conflict-affected countries are now meeting the poverty target. Analysis suggests that the majority of MDG goals in these countries will not be met. See: http://www.worldbank.org/en/news/press-release/2013/05/01/twenty-fragile-states-make-progress-on-millennium-development-goals

<sup>&</sup>lt;sup>4</sup> The five chronic poverty traps are limited citizenship, insecurity, spatial disadvantage, social discrimination, and poor work opportunities.

<sup>&</sup>lt;sup>5</sup> The Households in Conflict Network (HiCN) brings together researchers interested in the micro level analysis of the relationship between violent conflict and household welfare. The HiCN is funded by The Leverhulme Trust and supported by the Institute of Development Studies at Sussex, the Stockholm International Peace Research Institute (SIPRI) and the Université Libre de Bruxelles.

<sup>&</sup>lt;sup>6</sup> Individuals, households and communities.

and how civil wars may result in the persistence of poverty among individuals and households affected by violence. The strategies adopted by individuals and households to cope with, and adapt to, these changes are examined. The importance of social and political institutional transformation to individual and household poverty is also discussed. The paper also looks at the effect of poverty on civil wars. The emerging body of evidence reviewed for this paper is found by the authors to be limited and unsystematic, although it does provide new insights into the micro-level channels linking violent conflict and poverty outcomes.

Civil war has been identified as a cause of the persistence of poverty. This is as a result of the damage to infrastructure, institutions and production; the destruction of assets; the breakup of communities and networks; and death and injury to people. These outcomes of violence may push vulnerable households below the poverty line, particularly amongst households with widows, orphans and disabled individuals. Individuals and household with characteristics that make them targets of the conflict may be particularly affected as well. For example, educated people where targeted in Cambodia and people with cattle were targeted in Burundi and Rwanda. Displaced populations may face greater difficulties accessing employment and livelihoods. Increased malnutrition, lower educational attainment and an increase in child labour as a result of conflict may have negative consequences for the long-term welfare of households.

Information slowly emerging suggests that individual's or household's ability to respond to the economic shocks of conflict can determine the impact of conflict on their poverty levels in the short and long term. Greater understanding of the effects of civil wars on individual and household poverty levels and dynamics, including their responses, is required. This will help ensure that interventions are better able to reduce poverty and increase economic resilience amongst those living with violence. Common response strategies include: diversification of land holdings and crop cultivation; storage of grain from one year to the next; resorting to sales of assets such as cattle and land; borrowing from moneylenders; gifts and transfers from informal mutual support networks; migration; or looting and participation in illegal activities.

Social and institutional changes are also likely to affect people's vulnerability and ability to respond to poverty. These changes include the impact of conflict on social cohesion and local governance structures. Changes to social cohesion may result in a decrease in people's ability to rely on community relations in times of difficulty, access employment, or integrate into new institutional processes. Alternatively, changes may result in altruistic behaviour, less risk aversion and higher discount rates, as in Burundi for example. The behaviour of local governance structures which exist or emerge during the conflict can worsen or improve the living conditions of households under their control and administration. Understanding the links between individual and household economic strategies and institutional processes during war is important for the design of policies to break the war-poverty cycle.

More research is needed. It is not yet clear what the long-term impact of conflict on poverty is. It appears that at the macro level the institutional effects of conflict are not long-term. Some recent literature suggests however that at the micro level, the effects on specific population groups may be long-term and may contribute to the emergence of poverty traps.

## 3. The impact of conflict on poverty: Country case studies

Syria - Squandering Humanity: Socioeconomic Monitoring Report of Syria -Combined third and fourth quarter report (July-December 2013)

Nasser, R., Mehchy, Z., Saba, K., Awad, N., & Marzouk, N. (2014). UNRWA and UNDP.

#### http://www.unrwa.org/sites/default/files/scpr\_report\_q3-q4\_2013\_270514final\_3.pdf

What has been the impact of the Syrian crisis on the lives of ordinary citizens? This UNRWA and UNDP commissioned report is the third in a series of quarterly reports which tracks and assesses the impact of the conflict on socioeconomic conditions and the lives of ordinary citizens in Syria during the current crisis. It was prepared by the Syrian Centre for Policy Research and applies a counterfactual methodology that compares the "crisis scenario", or the actual indicators that emerged during the crisis, with the "continuing scenario", or the indicators that would most likely have been achieved had the crisis not arisen. The report looks at the structure, value and segmentation of the sinking GDP, the scale of economic losses, escalating budget deficit, exchange rate performance, labour market distortion and the scale of unemployment. It considers the social impact of the crisis through the rapid population movement, the rise in poverty, the collapse of education and the disintegration of the health system.

Poverty continued to deepen throughout the country in the second half of 2013, with three in every four Syrians living in poverty by the end of it. More than half the population (54.3 per cent) live in extreme poverty, which the report defines as people on the lower end of the poverty line, where they struggle to secure the most basic food and non-food items required for survival. Household budgets of the increasingly jobless, poor and desperate population are being squeezed by price inflation of basic goods and heating and cooking costs by up to 360 per cent. The prices of basic goods are usually higher in conflict zones than elsewhere due to their scarcity as a result of the security situation, limitation on transportation and lack of access due to blockades. Around 2.67 million people have lost their jobs during the conflict which also impacts on the welfare of 11.03 million dependants. In general, the governorates<sup>7</sup> with the most widespread and intense levels of armed conflict and lowest levels of security have the highest unemployment rates, as well as the highest poverty rates. Increasing numbers of internally displaced people who have lost their property and assets have contributed to deepening poverty. Around 20 per cent of the population are unable to even meet their basic food needs. In conflict zones and besieged areas these people face hunger, malnutrition and starvation, leading to possible death. Some groups have profited from illegal and violence-related activities, including large-scale weapons trade and smuggling. This creates a financial motivation for them to continue to support and sustain the armed conflict.

**See also:** Marzouk, N., Mehch, Z., Nasser, R., Saba, K, & Badran, S. (2013). *Syria – War on Development:* socioeconomic monitoring report on Syria – second quarterly report (April-June 2013). UNRWA and UNDP. http://www.unrwa.org/sites/default/files/md\_syr-rprt\_q2fnl\_251013.pdf

## Impact of the conflict on Syrian economy and livelihoods: Syrian Needs Analysis Project – July 2013

ACAPS & MapAction. (2013). (Working Paper No. x). ACAPS & MapAction http://www.mapaction.org/component/mapcat/download/2960.html?fmt=pdf

What is the impact of the crisis on the economy and livelihoods in Syria? All areas of the country have been affected to varying degrees by the conflict. This Assessment Capacities Project (ACAPS)<sup>8</sup> & MapAction report provides a wide-ranging independent analysis of the humanitarian situation of those affected by the

<sup>&</sup>lt;sup>7</sup> Syria is divided into fourteen governorates which are headed by a governor who is assisted by a provincial council. They are responsible for administration, health, social services, education, tourism, public works, transportation, domestic trade, agriculture, industry, civil defense, and maintenance of law and order in the governorate

<sup>&</sup>lt;sup>8</sup> The Assessment Capacities Project (ACAPS) is an initiative of a consortium of three NGOs (HelpAge International, Merlin and Norwegian Refugee Council) and collaborates with a large network of partners including NGOs, UN and academics. It is funded by nine donors.

Syrian crisis. The report covers the impact from a macroeconomic perspective, including the impacts on GDP, government budgets, and international and national trade. The impact of the extended crisis on the economy has been severe. The report also provides an overview of the livelihoods of Syrians and the changes as a result of the deteriorating economic and security situation.

Due to the conflict, extreme poverty, defined as an inability to secure basic essentials, is estimated to have increased from 2.2 million in 2010 to 3.7 million in 2012. This is a result of the increase in unemployment and inflation, and the decrease in purchasing power as a result of the conflict. Reduced agricultural activities have resulted in increasing reliance on imported foodstuffs. Many businesses also now rely on expensive foreign imports. While the government has increased the wages of public sector staff this has not been enough to keep pace with the severe inflation. The number of people living in poverty is continuously increasing.

Increased poverty has led to a rise in negative coping mechanisms. Poverty has also resulted in decreased access to basic needs, such as food, medicines and medical supplies, and essential non-food items. Alternative income sources include remittances, wages for fighting, smuggling and informal trade, and some groups are refining oil. Many working people are engaged in casual labour. The crisis has created some new jobs, such as people employing others to queue for them.

## Education and resilience in conflict- and insecurity-affected Northern Uganda

Bird, K., Higgins, K., & McKay, A. (2013). (Working Paper No. 215). Chronic Poverty Research Centre.

http://www.chronicpoverty.org/uploads/publication\_files/WP215%20Bird%20et%20al.pdf

What is the relationship between conflict, education and the intergenerational transmission of poverty in Northern Uganda? This paper from the Chronic Poverty Research Centre<sup>9</sup> examines whether increased education leads to greater resilience. It is based on empirical research carried out in Northern Uganda and focuses on the long-term impact of conflict. Recovery after conflict can be slow. Households' ability to cope with the various shocks of conflict depends largely on their access to and control over assets, including social networks, and their own capabilities and agency. Educated people are more likely to have socioeconomic resilience during a conflict. Education increases their likelihood of finding new livelihood options, adjusting to displacement and/or accessing safety and new livelihood options through migration. For some households, the depressed levels of consumption and investment during and following conflict lead to irreversible effects associated with chronic and intergenerationally transmitted poverty. The risk of chronic poverty is especially high if the conflict leads to poverty during the life stages of foetal development, early childhood and youth.

The conflict in Northern Uganda resulted in chronic and intergenerational poverty. Welfare disparities between the conflict-affected north and the rest of Uganda are stark. The prolonged conflict resulted in underinvestment by households in nutrition, health and education<sup>10</sup>. This was found to have long term impacts on the poverty of the children and young people in these households.

In relation to education, the conflict meant that access to school was particularly difficult with long walks to school putting children in danger and schools being targeted by rebels. After the conflict, many

<sup>&</sup>lt;sup>9</sup> The Chronic Poverty Research Centre (CPRC) was an international partnership of universities, research institutes and NGOs which was funded by DFID.

<sup>&</sup>lt;sup>10</sup> The focus of the paper is on education rather than nutrition and health.

communities have limited capacity to invest in education and many challenges remain in the effective provision of quality education.

Education supports resilience during and following periods of conflict and insecurity which means it is a valuable 'portable' asset. Respondents reported that those with primary education were able to adjust to conflict shocks more easily than those without formal education. They were able to diversify their livelihoods and found it easier to migrate away from danger.

However, not enough is being done to meet education needs in Uganda. This has implications for the resilience of children and young people who grew up during and following the conflict and therefore for their chances of exiting severe and chronic poverty. Based on the evidence from Northern Uganda, the paper recommends investment in education, as education can both limit the poverty impact of conflict on households during conflict but also support a speedier post-conflict recovery.

### Poverty dynamics, violent conflict, and convergence in Rwanda

Justino, P., & Verwimp, P. (2013). *Review of Income and Wealth*, Series 59, No. 1. http://dx.doi.org/10.1111/j.1475-4991.2012.00528.x

What was the impact on poverty of the violence in Rwanda in the 1990s? This peer-reviewed article seeks to identify potential mechanisms linking violent conflict with changes in poverty across provinces and households in Rwanda. It uses a small but unique household panel dataset, which followed the same Rwandan households before and after the 1994 genocide in two provinces. Violent conflict directly affects poverty dynamics through changes in household composition due to killings, injuries, and recruitment of fighters; through changes in household economic status due to the destruction of assets and livelihoods; and through forced displacement and migration. Local level indirect effects include changes in: households' access to and relationship with local exchange, employment, credit and insurance markets; social relations and networks; and political institutions. At the national level, indirect effects relate to changes in economic growth and in distributional processes that impact on household welfare. These effects are likely to push households into poverty depending on their initial economic position and exposure to the violence.

There were uneven increases and decreases in poverty levels across Rwanda between provinces and households during the war. This was the result of disproportionate destruction in provinces that were economically better-off before 1990 and the targeting of land-rich, home-owning households. These were the households and areas most affected and targeted by the genocide and the civil war. This resulted in economic convergence as these provinces and households saw their income decrease. Originally poorer areas were less affected by the conflict which allowed them to recover quicker in economic terms.

The conflict in Rwanda had a disproportionate effect on educated and land-rich households. This is because such features made them targets of violence which mitigated the beneficial impact of assets in allowing households to adapt to economic shocks. The household survey in 2002 found that falls into poverty and extreme poverty were most notably among households headed by a young more educated male with incomplete primary school, employed in farming activities, and owning a larger plot of land.

Policies targeting poverty during and after violent conflict must focus on increasing economic resilience by reducing levels of vulnerability, not only to poverty but also to being targeted by violence. A focus solely on income-poor households may miss out on large numbers of vulnerable yet economically well-off people who may become targets of violence and thus fall into poverty. Being vulnerable to conflict can therefore also make people vulnerable to poverty.

### Conflict-induced Poverty: Evidence from Colombia

Valencia, N.L. (2013). Universidad del Rosario

http://repository.urosario.edu.co/bitstream/handle/10336/4639/1010188339-2013.pdf?sequence=3

What is the impact of the long-running internal conflict in Colombia on poverty? Colombia has the second highest percentage of people living below the poverty line in South America. This study, later published in a peer-reviewed journal, uses census data at the municipality level for 2005 to assess the effect of conflict on the urban and rural incidence of poverty measured using the newly developed Multidimensional Poverty Index. The incidence of conflict significantly increases rural, but not urban, poverty. This is consistent with the fact that most of the conflict in Colombia takes place in rural areas. Conflict has a lagged impact on poverty that lasts for at least three years, but decreases over time. This could be due to households getting used to living in the presence of conflict.

See also: Lemus, N. (2014). Conflict-induced Poverty: Evidence from Colombia. Peace Economics, Peace Science and Public Policy, 20:1, 113-142. http://dx.doi.org/10.1515/peps-2013-0056

## Effect of an armed conflict on relative socioeconomic position of rural households: case study from western Côte d'Ivoire

Fürst, T., Tschannen, A.B., Raso, G., Acka, C.A., de Savigny, D., Girardin, O., N'Goran, E.K., & Utzinger, J. (2010). Emerging Themes in Epidemiology, 7:6. http://dx.doi.org/10.1186/1742-7622-7-6

What are the socio-economic consequences of armed conflict at the micro level? This peer-reviewed article analyses data from 182 households in rural western Côte d'Ivoire surveyed in 2002 and 2004. The area was subject to intensive fighting in the Ivorian civil war between the two surveys.

Around 70 per cent of households surveyed mentioned socioeconomic difficulties as a result of the conflict. However, the data suggest that conflict did not make a large difference to socioeconomic status as only one in seven households experienced a change in status despite the war-time circumstances. It was not possible to clearly identify more or less resilient households. However the conflict did lead to significant changes in livelihood strategies. There was a significant return to agricultural production and a decrease in the diversity of socioeconomic activities. The paper concludes that more micro level research is needed into the impact of armed conflict.

## 4. About this report

#### **Key websites**

- MICROCON Poverty, Inequality and Social Exclusion: http://www.microconflict.eu/projects/poverty\_inequality\_social\_exclusion.html
- World Development Report 2011: http://web.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTWDRS/0,,contentMDK :23252415~pagePK:478093~piPK:477627~theSitePK:477624,00.html

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