

PART III

Comparative Analysis

7 Comparative analysis - Reintegration of former combatants and the informal economy

Taking into consideration the analytical framework, a comparative analysis of the key observations and findings from the three case studies are outlined below.

7.1 Human development

All three case study countries were defined as having low human development, and were in the bottom 10% of all countries listed in the HDI, lower than the sub-Saharan HDI average since 1980. In addition, poverty was endemic in all three countries. The implications were that ex-combatants had been confronted with a severely limited bouquet of individual development options and livelihood choices at the time they started the reintegration process. The low levels of human development had also informed the design of the reinsertion and reintegration support.

7.2 Economic conditions

In all three case studies, governments primarily generated revenue through the export of primary commodities, such as oil, minerals and agricultural produce. Nonetheless, only a small fraction of export earnings were reinvested in the national economy. This left most key sectors underdeveloped, with the majority of the population sustaining themselves through low-level, informal economic activities; most food was produced through subsistence agriculture. Consequently, the informal economy eclipsed the formal economy.

The dominance of the informal sector was perpetuated by the undersized nature of the commercial banking sector in all three countries, with very little limited credit being available for informal sector enterprises. In some cases microcredit was available, but this was

dependent on the availability of assets that could be provided for surety. Where ex-combatants had access to credit, as was the case with the fishing cooperative in South Kivu, businesses were expanded and operating risks reduced. The inadequate availability of credit also negatively affected the agricultural sector, where farmers were restricted from developing their subsistence crop and animal husbandry livelihoods into more commercial/profitable ventures.

Ex-combatants who required credit typically borrowed money from family members, friends and relatives – in most cases to start a business. Others acquired investors or business partners as a means to grow their businesses. In mining areas, impoverished artisanal miners who were unable to access credit were required to lease mining equipment from middlemen in order to generate income. The relationship varied from being supportive in some case to exploitative in others.

Dilapidated road networks and related infrastructure restricted the ability of ex-combatants to enhance their livelihoods particularly through income generation and agricultural production. The reason for this is that in all three countries, the poor system of transport infrastructure made it exceedingly difficult for farmers to ferry their produce to urban markets, and inflated the cost of imported goods. Formal sector import and export business was beyond the reach of most ex-combatant entrepreneurs due to the excessive cost of importing/exporting cargo containers.

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Consequently, most trading businesses were small, with ex-combatants transferring their goods on their backs, bicycles, *chukudus* (as in the case of North Kivu) or motorcycles. Conversely, this state of affairs presented profitable prospects for entrepreneurial and intrepid ex-combatants who were able to exploit a gap in the market by initiating transport businesses, and/or addressing a key consumer demand that the inadequate infrastructure created (such as the ex-combatant water business in North Kivu).

7.3 Governance

A key paradox of the three post-conflict countries was that despite being characterised by weak governance and underdevelopment, the economy was regulated by unwieldy and sluggish bureaucratic systems and processes. The World Bank has rated all three countries as being amongst the most challenging and expensive globally in which to do business. In such circumstances, as the case studies reveal, most business ventures, including those of ex-combatants, were small and confined to the informal sector. That is the costs and procedures associated with transitioning a business from the informal to the formal are generally prohibitive. Economic growth and improvements in GDP per capita, living standards and vital infrastructure are consequently undermined.

In all three case studies, a significant number of ex-combatants with commercial ventures bemoaned the rate and complexity of taxation. Most often taxes had to be paid to numerous levels of government, and taxpayers received minimal benefits and services in return. In many instances, ex-combatant businesses did not comply with government regulations, which made the business owners (and their employees) vulnerable to exploitative behaviour by corrupt government officials. Ex-combatants tended to regard the tax system as excessive, and at times predatory. High rates of taxation reduced the amount of available resources that ex-combatants could reinvest in or improve their businesses. Some businesses therefore sought to avoid paying formal tax (where possible) or paid informal taxes or bribes to officials, which were typically lower than the official tax.

In all three countries, most ex-combatants with cross-border trade enterprises encountered numerous checkpoints when ferrying goods between the source and the market (consumers). Not only were a variety

of fees required to be paid, but significant delays were also encountered. This usually increased the price and reduced the quality (in the case of fresh produce) of the goods.

Areas outside of governmental control in all three case studies presented both opportunities and risks for ex-combatants. Where the ungoverned space corresponded with mineral wealth (as in the case of the DRC and CAR), opportunities for significant income generation through informal sector activities were enhanced. However, such activities were usually illegal and involved a high degree of risk on the part of the ex-combatant. Violence was often a feature of such an environment, with ex-combatants being both the victims (artisanal miners, gold smugglers) and perpetrators (member of an armed group/militia, criminal gang). In addition, armed groups, militias or government soldiers often taxed ex-combatants who were engaged in economic activities. These militarised groups then used these tax revenues to reinforce and perpetuate their control of the mineral areas.

7.4 Security

Outside of key urban centres, personal security remained a key concern for most ex-combatants and civilians alike in all three countries. Such conditions negatively affected ex-combatant livelihood choices, particularly the investment in activities that would improve food security and living conditions, as well as contribute to economic growth. The reason for this is that rural populations were often at risk of attacks and looting by militias and bandits, particularly in the CAR and the DRC.

At times such armed groups and militias took control of important transport routes in areas outside of the ambit of government authority. This meant that transport-related businesses, including those run by ex-combatants, were susceptible to theft or disruption by such armed groups. In the mining areas, personal security was low in most cases due to the poor and unsafe working conditions in the mines and the potential for abuse at the hands of armed factions.

7.5 DDR programming and support

The manner in which ex-combatants used the reinsertion or reintegration material support, especially the kits that were provided to them, varied. Some used them directly for income generation activities, such

as establishing a small business or trade. A significant number sold the kits, with some using the proceeds for short-term consumption, while others invested the funds in economic ventures which they felt were more appropriate to their personal circumstances and those of the local economy.

Some former combatants were able to use the skills they had acquired through the reinsertion/reintegration capacity-building process to directly generate an income. In this regard, there appeared to have been a correlation between the successful utilisation of the DDR training and aptitude and skills of the ex-combatant prior to the provision of DDR support. This was particularly the case in South Sudan and the DRC. However, a number of ex-combatants reported that they had not received any significant reintegration support. Some former combatants employed their skills and expertise acquired from conflict or prior to the conflict to generate income in the post-conflict environment.

There was some criticism of the DDR support, especially in CAR and the DRC, in that no further follow-up support was provided to address the problems encountered with reintegration activities and enterprises, such as to counter livestock diseases. There also appeared to have been disparities in the allocation of DDR resources and support in terms of gender. In CAR and the DRC some female ex-combatants alleged that they had been discriminated against (in comparison to male ex-combatants) in the allocation of DDR resources, as reintegration support was often linked to the possession of a firearm, which did not apply to most women. Conversely, in South Sudan, female ex-combatants (as well as children and disabled ex-combatants) were prioritised in the DDR process, primarily due to strategic considerations and the implementation approach of the DDR programme.

In some cases reintegration support was not provided for certain economic activities that were more relevant for ex-combatants, such as artisanal mining and motorcycle taxis. These diluted the effectiveness of the support. Nonetheless, despite the absence of such support, ex-combatants were able to pursue livelihoods in these sectors.

7.6 Personal circumstance and networks

The availability of personal/support networks that ex-combatants could utilise for economic purposes was

essential to securing sustainable livelihoods. These networks tended to be comprised of other ex-combatants, who then pooled resources and combined their expertise to establish informal sector business enterprises. These ex-combatant networks were also used to access certain markets, as was the case of the gold trade in the eastern DRC.

Where opportunities existed and it was mutually beneficial, ex-combatants entered into business arrangements with individuals and networks that did not have military backgrounds. Ex-combatants also made use of family/relatives networks for both borrowing money and accessing employment opportunities.

The manner in which the surrounding communities where ex-combatants resided and pursued livelihood options (both urban and rural) responded to the ex-combatants influenced ex-combatant livelihood choices and the sustainability thereof. Where communities were accepting or indifferent towards ex-combatants, the livelihood choices appeared to be more sustainable. However, the opposite applied in situations where communities were suspicious or hostile towards ex-combatants.

There appeared to be a correlation between ex-combatants livelihood choice and marital/family status. It seemed that in most cases if a male ex-combatant was married and had children then the livelihood option was often stable and legitimate. A similar dynamic existed for female ex-combatants, particularly those who were unmarried and had to provide for their dependents. In the case of young male

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ex-combatants riskier livelihood options were often pursued, such as artisanal mining, mineral smuggling and the motorcycle taxi sector. Some resorted to criminal activities or joined armed/militia groups.

In all three countries ex-combatants often undertook a variety of income generating activities in order to save funds and provide for themselves and their families. In some cases ex-combatants were running multiple small businesses, usually employing in family members to assist.

In a large number of cases ex-combatants had sought

to improve their socio-economic status by changing and adapting the manner in which they generated an income. For example, some ex-combatants started working in menial jobs, accumulated savings and then invested in more profitable ventures. There was often a positive, upward spiral process. It was frequently observed that those ex-combatants with ambition and a flare to succeed in their economic ventures were the most successful in the process of economic reintegration.

7.7 Ex-combatants and types of economic activities

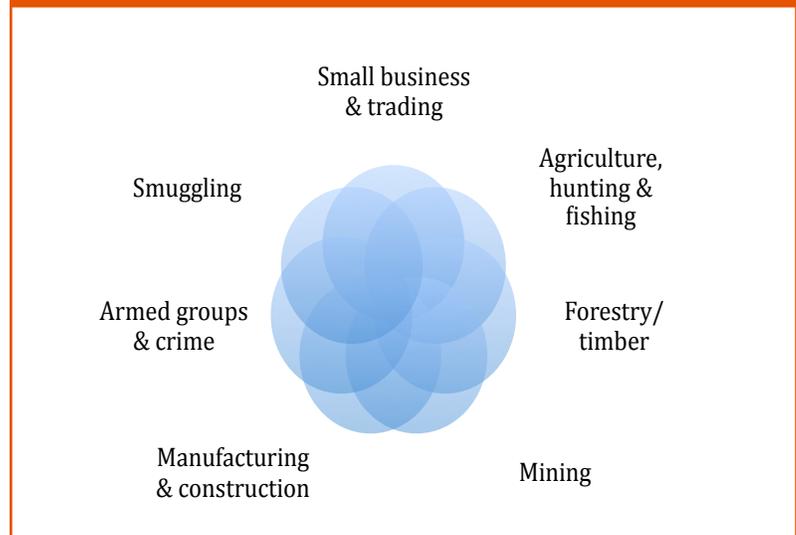
The case study research has revealed that ex-combatants undertook a wide variety of economic activities in the informal sector in order to sustain themselves and generate an income. There were many commonalities between the countries and the environments in which ex-combatants resided, particularly small business, cross border trading and agriculture. The differences were primarily determined by external conditions. That is, forests and mineral deposits in CAR and DRC provided livelihood options that were not available for ex-combatants in South Sudan.

In some cases, former combatants were drawn into dubious and criminal activities, while other were recruited into armed groups and militias. Figure 9 is a depiction of the main types of income generating activities available to ex-combatants in the three case studies.

7.8 Gender and DDR

There were some similarities and differences in the gendered aspects of DDR in the three case studies. It was suggested in some cases that there had been a prioritisation of male ex-combatants by means of the DDR selection criteria, with a number of female ex-combatants particularly in CAR and the DRC, advo-

Figure 9: Categories of informal sector income generation



ating for a “fairer” allocation of benefits. However, the study was not able to accurately determine the nature and extent of actual discrimination against female ex-combatants (if at all). In addition to conventional DDR programming, financial, material and capacity-building support for female ex-combatants and other ‘special needs groups’, was provided, especially in the DRC and South Sudan. In South Sudan, for example, due to the institutional challenges of implementing conventional DDR, women that had been associated with the armed conflict became the principal group to benefit from reinsertion and reintegration support.

It was alleged that discrimination against female ex-combatants was prevalent within most armed entities in all the cases under study. This discrimination was arguably entrenched by economic and cultural biases in the communities in which women resided, which some respondents suggested contributed towards undermining the ability of women to access DDR resources. In the eastern DRC there was the added dimension of heightened insecurity and the prevalence of sexual violence, which had a negative impact on the reintegration of female combatants and females associated with the armed conflict.