

## The Security Sector and Poverty Reduction Strategies

*In conflict-affected countries, insecurity can worsen the incidence of poverty, undercut the delivery of basic services, and leave segments of the population chronically vulnerable. Because security provision is both a core function of the state, and a necessary condition for the delivery of other essential services, it should be an integral part of any strategy for recovery and development. Poverty Reduction Strategies – the standard tool for organizing medium-term economic and social policies for growth and poverty reduction—can be more effective if they adopt a strategic approach to serious security challenges.*

*This note is based on “The Security Sector and Poverty Reduction Strategies”, an Issue Note prepared as part of an analytical and technical assistance program conducted by the Social Development Department in cooperation with colleagues across the Bank and DFID-UK. The Issue Note discusses entry points for engagement in the security sector in countries where insecurity is a major contributor to poverty and vulnerability. It also explores the best ways of integrating security reforms into a poverty agenda, and the role the World Bank might play as an international partner.<sup>1</sup>*

### CONCEPTS AND DEFINITIONS

#### ***Why is security important for poverty reduction?***

Security is fundamental to people’s lives and livelihoods. Insecurity resulting from armed conflict increases the vulnerability of poor people and is a key factor in the perpetuation of poverty traps. Because violent conflict destroys physical infrastructure and productive assets, it disrupts economic activity, lowers investment, and increases unemployment. Health and education services deteriorate, and social networks collapse. By perpetuating and deepening poverty, violent conflict sows the seeds of its own renewal: poor societies are more likely to return to violent conflict.

***What do we mean by the Security Sector?*** There are different understandings of what actors and institutions constitute a country’s security sector.

Broadly, the security sector can be defined to include all the actors and institutions with a role in ensuring the security of the state and its people.<sup>2</sup> Institutions providing internal and external security vary between countries and may include a large number of non-state actors, particularly in conflict-affected countries. However, a more formal conception of the security sector focuses on those actors with constitutional and legitimate responsibility for the provision of security for the state and its citizens. According to the UN, these include: defense, law enforcement, corrections, intelligence services and institutions responsible for border management, customs and civil emergencies. Elements of the judicial sector responsible for the adjudication of cases of alleged criminal conduct and misuse of force, are in many instances also included. Furthermore, the security sector includes actors that play a role in managing and overseeing the design and implementation of security, such as ministries, legislative bodies and civil society groups.<sup>3</sup>

<sup>1</sup>This note draws upon the legal and policy framework for the World Bank’s involvement in post-conflict situations and emergencies as outlined in *Development Cooperation and Conflict* (OP/BP 2.30, January 2001) and *Rapid Response to Crises and Emergencies* (OP/BP 8.00, March 2007).

<sup>2</sup>OECD-DAC, *Security System Reform and Governance*, Guidelines and Reference Series, 2005 provides a definition for the security sector which includes: core security actors (armed forces, police, paramilitaries, intelligence and security services, etc.), security management and oversight bodies (executive and legislative authorities), justice and law enforcement institutions, and non-statutory security forces (rebel armies, private security companies, etc.).

<sup>3</sup>United Nations Secretary General, *Securing peace and development: the role of the United Nations in supporting security sector reform*, UN doc. A/62/659 – S/2008/39, Jan. 2008, para. 14

**What is Security Sector Reform?** Security sector reform (SSR) has been described as a process of assessment, review and implementation as well as monitoring and evaluation led by national authorities that has as its goal the enhancement of effective and accountable security for the State and its peoples without discrimination and with full respect for human rights.<sup>4</sup> The overall objective of SSR is to create a secure environment that is conducive to development, poverty reduction and good governance. SSR addresses three inter-related challenges facing all states: i) developing a clear institutional framework for the provision of security for the state and its citizens and includes all relevant actors; ii) strengthening the governance of the security institutions; and iii) building capable and professional security forces that are accountable to civil authorities. Reform of the security sector is often a core element of both peace-agreements and peace-building programs. The PRS can reinforce these peace-building frameworks by integrating key priorities of security sector reform into the country's broader national development framework.

#### **RATIONALE FOR INTEGRATING THE SECURITY SECTOR INTO PRSS**

Security and the rule of law are essential public goods that help create the conditions for government accountability, robust private sector development, and the participation of populations in social and economic development. Civil war is an extreme form of insecurity, but violent crime, which often lingers after a peace accord is reached, also functions as an impediment to economic growth, hitting poor people disproportionately. For example, the 2005 World Development Report on investment climates found that crime and violence against people and property blocked investment and increased the cost of doing business. Crime and violence also undermines strategies to strengthen social and human capital, diverting funds away from development and other productive activities. A successful PRS depends both on a reasonable level of security and on sound management of security-related expenditures. Other bases for including security reforms in PRSS:

**Security is a priority for conflict-affected countries:** Both governments and people in conflict-affected countries overwhelmingly identify security as a priority, central to peacebuilding and development agendas.

**Security is a core governance issue:** There is a close relationship between governance and security in many conflict-affected countries. Inappropriate and ineffective security structures contribute to state fragility and violent conflict, which in turn undermine development. Poor governance of the security sector itself is often at the heart of state fragility in conflict-affected countries.

**Security is a public good citizens expect the government to deliver:** The provision of security is a core function of the State. It rests upon two essential pillars: i) The ability of the State, through its development policy and programs, to generate conditions that mitigate the vulnerabilities to which people are exposed; ii) The ability of the State to use a range of policy instruments at its disposal to prevent or address security threats that affect society's well-being.<sup>5</sup> Security is also a necessary condition for the delivery of other essential public services, such as health and education programs, normally key components of PRSS. Thus, in conflict-affected countries, improving security is closely linked to achieving other objectives of the PRS.

#### **STRATEGIC AND OPERATIONAL ISSUES**

**Situating the PRS in conflict-affected countries & fragile states:** A growing number of conflict-affected countries and fragile states are engaged in a PRS process. Many of their development partners, including the World Bank, may have suspended their operations during prolonged periods of conflict and instability. It is important to situate the PRS process in a larger framework of the international community's re-engagement and the country's normalization within the global community. It is also important to ensure that the security aspects of the PRS be aligned with peace accords and peacebuilding strategies that

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<sup>4</sup> Ibid., para. 17.

<sup>5</sup> OECD-DAC, *op cit*, 2005

are already in place.

***Linking PRS processes & security dialogue:*** SSR is necessarily a political process, touching the interests of key actors in post-conflict and transitional governments. The PRS can create a relatively neutral space in which policy-makers, security providers and civil society - groups that are often disconnected and lack mutual trust - can discuss security issues, including the interrelationships of poverty, insecurity, and security sector reform. As in all reform processes, it is important to identify champions, to support broad coalitions and to foster national ownership of the process.

***Timing and sequencing of PRS & SSR***

***processes:*** In terms of the timing and sequencing of PRS and SSR processes, there are two baseline scenarios. Under the first, the SSR is already underway, or has been agreed to under a national peace accord or international peacekeeping mandate when the PRS is being developed. In this case, it may be relatively more straightforward to integrate the key elements of an agreed SSR process into the PRS. Under the second scenario, the PRS is launched without any security reforms underway. Here, government needs to build in a security sector strategy (which may or may not include reform).<sup>6</sup> In practice, most countries fall somewhere in-between these two scenarios.

***Linking poverty diagnostics with conflict analysis & security assessments:*** The PRS provides an important opportunity to link poverty assessments with conflict analysis and security assessments.<sup>7</sup> Violent conflict is more likely in countries with high levels of poverty, while insecurity in turn increases the vulnerability of the poor. Determining how the dimensions of insecurity in a particular country context (e.g. widespread criminal violence, regions of ongoing armed conflict, flows of IDPs and refugees)

interact with dimensions of poverty and inequality is a critical element of analysis in designing and prioritizing public policy interventions under the PRS.

***Linking justice and security sector reform:*** Well-functioning security and justice sectors share many goals, operate according to the same fundamental principles and deliver services through many of the same institutions. Yet justice and law enforcement institutions are often the responsibility of separate national authorities from those responsible for national security. There may also be different international actors providing support for rule of law and justice reform from those engaged in security sector reform. Given that justice reform is often explicitly linked to security sector reform within peace agreements and international cooperation frameworks, these linkages should be reflected in the PRS.

***Linking the PRS and security sector with national budgets:***

Ultimately, poverty strategies are linked to budgets. With security sector issues covered in the PRS, there is an important opportunity to calibrate sustainable levels of security sector spending in relation to other government priorities. This is not a simple matter of reducing security expenditures to increase social service delivery or other investments for poverty reduction. It may in fact be important to re-allocate or even increase security investments to improve the sector's capacity to create conditions conducive to poverty reduction. As in other sectors, the key issue is thus not the level of spending but rather the process by which spending decisions are made, the quality (efficiency and effectiveness) of the spending in relation to the achievement of key national security and poverty reduction objectives.<sup>8</sup>

***Integrating the security sector with PRS pillars & results matrices:*** Integrating security sector

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<sup>6</sup> However, it is important that the international community avoid pushing national stakeholders to undertake reform before they are ready or where reform spoilers constitute a significant risk to the success of the process.

<sup>7</sup> See Issue Note on Poverty Assessments in Fragile and Conflict-Affected Countries, World Bank, July 2008.

<sup>8</sup> The World Bank's policy on military and security expenditures is explained in a 1991 Statement by then General Council to the Board of Directors and later distributed as staff guidance. This Statement establishes that while the Bank seeks to influence the agenda on public expenditure in a way that can increase resources for development, it remains beyond the mandate and competence of the World Bank to determine the appropriate level of military expenditures for a member country or to impose conditionality related to military expenditures. However, it clarifies that the question of military expenditures may be raised as part of its policy dialogue and public expenditure reviews with the focus on assuring the maximum feasible allocation of resources to development activities.

priorities into PRSs pillars and results matrices helps both donors and government move from short-term and ad hoc security-related projects to a more strategic engagement. The government must articulate objectives for the security sector as well as assess the extent to which security institutions show the necessary capacity and accountability in carrying out their respective mandates. To the extent possible, the PRS should include clear and measurable indicators for the security sector, ensuring that these are integrated into PRS monitoring, evaluation and reporting mechanisms.

***Fostering national ownership & international coordination through PRS:*** By integrating security sector strategies into the PRS, governments have an opportunity to articulate national priorities for the sector through a participatory process. The PRS can thus provide a national framework for the international community's support to the security sector. In practice, improvement of security and justice systems in conflict-affected countries and fragile states has often been undermined by a lack of coordination between international actors, which may have different agendas for the security sector. Thus, to the extent that the PRS process can involve these different actors - including the UN, regional organizations and bi-lateral donors - in establishing a consensus around national security sector priorities, it can be an important tool for fostering both national ownership and international coordination.

## **EMERGING PRACTICE**

In addition to identifying operational and strategic issues for the integration of security issues in PRSs, the full Issue Note of The Security Sector and Poverty Reduction Strategies presents several country cases.<sup>9</sup> These show a variety of approaches in incorporating security sector issues. The role of the World Bank has also varied across different cases. Key emerging lessons highlight the importance of:

- supporting country analytical work that would explain the local dynamics of, and linkages between, security, conflict and poverty;

- recognizing that national and international actors will have different objectives for the security sector and that reform is often a contested process;
- facilitating dialogue and collaboration among national and international stakeholders;
- identifying key entry-points and appropriate timing for linking SSR and
- PRS processes;
- taking advantage of opportunities to link dialogue on security sector and poverty reduction issues during PRS participation processes;
- linking security sector issues to standard service delivery and governance frameworks; and
- building upon and re-enforcing security sector priorities in existing frameworks such as peace agreements, post-conflict needs assessments and transitional results frameworks.

## **CONCLUSION**

This paper suggests that while the World Bank may not have the capacity or mandate to engage with many technical aspects of the security sector, the Bank can support the integration of security sector priorities in national development strategies, such as the PRS. There are also important entry-points for World Bank engagement in the sector, in coordination with its national and international partners, focusing on its core areas of expertise such as governance and public finance management. Emerging practice is highlighting the cross-sectoral nature of work in this area, which will require new partnership with other key regional, multilateral and bilateral players, as well as learning and collaboration across networks within the World Bank.

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This note is written by Tim Carrington and David Post based on the Issue Note, "The Security Sector and Poverty Reduction Strategies". The Issue Note was prepared by a team that include Stephanie Kuttner, Donata Garrasi, and Per Egil Wam, the Social Development Department, World Bank, July 2008.

<sup>9</sup> The Issue Note includes country-case examples from Afghanistan, Burundi, Central African Republic, Democratic Republic of the Congo, Haiti, Liberia, and Sierra Leone.