

Rapid economic recovery or the resurgence of conflict:

A study on economic recovery in the Bossangoa region in the Central African Republic

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The return to sustainable peace requires a simultaneous balance among several interconnected conditions: security, political reconciliation, rehabilitation of the state, economic advancement, and social restructuring that provides access to rights. The study analyzes the principle vehicles of rapid economic recovery in the Bossangoa prefecture, taking into account the social specificities of a community emerging from conflict (persistence of tensions, sluggish return of the displaced and of refugees, unemployed former combatants...). While these analyses and resulting recommendations stem from a specific regional context, they can contribute to an overall analysis of the country as a whole and other regions.

The Central African Republic possesses the characteristics of a failed post-conflict state.

This situation predisposes the country to new conflicts. The successive crises over the last twelve years, most notably the recent years of conflict, have robbed the population and the country of various means to exit these recurrent conflicts, contributing to its long state of instability.

The massive decapitalization wrought by systematic looting, the disorganization of all sectors, the dilapidation of public infrastructures, the absence of numerous public and private services and their consequences for the population (reduced education, limited access to aid, malnutrition, loss of confidence) make it all the more difficult to find a means to escape the conditions that brought about the current situation.

On an individual level, taking up arms can become tempting; the opportunity cost for engaging in guerilla forces is very low. The youth lose almost nothing by joining or returning to a rebel group, for they often lack work, skills, revenue, and promising future prospects. The price of an automatic weapon is the same as the price of a young bull.

Without intervention, economic recovery will languish. A return to the country's GDP from before the conflict will take at least ten years, taking into account the cost of damages, and this effort will ultimately do nothing but place the economy back into the state it was in right before the start of the conflict.

However, certain indicators show the beginnings of economic recovery.

Improved security, small private initiatives, the regular arrival of wholesalers from Bangui, the rehabilitation of microcredit institutions, municipal market tax collections, the slow return of administrations, recapitalization of small-scale livestock, the practice of household savings, the progressive establishment of public services, increased confidence in the future, in house-building projects, and subsequently in the population's will to work, are all significant indicators of the population's active engagement in recovery efforts.

The situation remains very unstable on all levels.

Resilience is limited, improvements remain fragile, and populations remain vulnerable after numerous shocks, locked in the trap of poverty. Current aid, oriented towards the most poor (in emergency situations), remains merely "palliative" in nature. Poor families, only capable of providing for themselves, cannot enter into full economic productivity without external aid.

Risk of the reemergence of conflict.

Without direct and rapid aid to the economic system, there is a strong possibility of a resurgence of the conflict due to tensions, shock, or simply to a deteriorating faith in recursive action. The following events could contribute to this: the fundamental disillusionment of a part of the population after postponed elections, the possibility of a less abundant harvest, the difficult lean season, rising prices for numerous commodities during the rainy season if transport systems do not improve, discouragement due to daily difficulties, livestock illness and the erosion of capital resulting from the most recent pillages.

Two parallel dynamics are occurring across the country: the resurgence of conflict and economic improvement. If unemployed groups return to barricade routes, pillage villages, or kidnap people for ransom, even to a limited extent, the mere appearance of these risks will cut off the beginnings of economic improvement. The downward spiral of societal collapse will reinitiate, fueled by recurring conflictive situations that engender economic recession, which in turn produce additional destabilizing factors.

The international community must understand the cost of regional instability, which will inevitably result from the next new crisis. If action is not taken now, its price will double tomorrow. Our objective is to

prevent the resurgence of conflict with rapid-impact solutions that target structural reconstruction. These projects must work in tandem with those that already exist and reactivate civil participatory structures, while accepting that some improvements may be temporary. Projects ought to integrate young former combatants and must work with public services. The coordination of the whole program should generate synergies between its numerous projects and that of those to follow.

Principle measures:

1. **Recapitalize for investment and production.** After months of racketeering and looting, households are slowly beginning to recapitalize the essential domestic goods and productive assets. However, the lack of liquid assets in the zone blocks investment and consumption. Increasing household cash flow, by donation or loan, is an urgent measure. As a part of other conditional investment projects (tools, equipment, livestock...), this measure will help ensure that capital continues to circulate.
2. **Make Ouham accessible.** Economic revitalization will not be possible without first repairing the roads to access the prefecture.
3. **Focus on the cotton sector.** To leverage the major driving force of the local economy, in terms of distributive revenue and of the agricultural activity, as well as other generated products (transport, banking, reparations, commerce, etc.), the cotton sector must rapidly recover.
4. **Re-stimulate agricultural cultivation by animal power (oxen).** By increasing food crop production, this measure will generate agricultural outputs that will increase cash flow.
5. **Facilitate credit and transfers.** An essential compliment to the previous measures, the reestablishment of credit and transfer of funds will help accompany and secure economic revitalization.
6. **Use of public services alongside development.** The repositioning of the state and collectives should guarantee the sustainability of economic recovery and the return of public and private taxes.
7. **Communicate and inform.** The recovery process must be made visible and transparent by spreading a high level of information and awareness throughout the region.
8. **Invest in human capital.** Improve outlooks by developing skills corresponding to local needs, targeting the youth in particular. Investing in human capital is a priority in a post-conflict environment that is in the process of economic revitalization.

The recovery of the Bossangoa prefecture would not constitute the mere improvement of a single locality. This effort will produce positive economic and pacific effects on the rest of the region and the country. We must prioritize restoring means of production and exchange, for this serves as the decisive challenge in the recovery of the Central African Republic.