I am applying to study a development economics DPhil within the Centre for African Economics at Oxford. I intend to focus on the development of post-conflict and post-transition states and would suggest Prof. Paul Collier, Dr. Adeel Malik or Dr. Anke Hoeffler as potential supervisors.

**Introduction.** Development Economics is the name given to the broad field of using quantitative techniques to understand and optimise poverty reduction, development and aid effectiveness. From South Korea to Botswana, there have been many success stories in development. Globally, human development indicators, such as life expectancy and years of education, have been steadily improving. Yet there are also countries which, despite domestic and international efforts, fail to show significant sustainable improvement. Post-conflict states are particularly vulnerable to instability and relapses into violence.

Much research been done on the provision of aid and public services in post-conflict societies, however most of this work is concerned with low-income countries or failed states, where the government is either unwilling or unable to provide security and services. Particularly in the context of last year’s Arab Spring, we are seeing more revolutions and forced regime changes occurring in middle-income countries which have their own set of challenges and have not been the subject of such extensive study. The proposed research would build on the lessons from post-conflict research and identify effective policy tools which promote stability and development in post-transition states.

The focus of post-conflict research has been on countries where civil war has left a legacy of ‘highly dysfunctional’ economic policies. In many post-conflict countries the public and private sectors need to be rebuilt from scratch\(^1\). In contrast, I am interested in post-transition societies, where the transition was not the result of a protracted civil war, but the result of social and civil unrest, a coup d’etat, revolution, or some other type of undemocratic, forced but swift regime change. Recent examples include Libya and Egypt. In such cases, the post-transition government does not need to rebuild - it is likely to inherit a large public sector - however it will need to reform institutions and address the underlying economic and social problems that triggered the transition.

**Key Research Questions.** The three key questions this thesis would seek to answer are:

- What are the major economic risk factors that underpin regime change?
- What policies should fledgling post-transition governments pursue to promote stability?
- What can the international community do to ease transitions and support post-transition governments?

First, we will consider what causes regime change. Much work has already been done on the economic causes of civil war, but are these the same for slightly more peaceful regime change? Several possible explanations for political unrest have been suggested and will be discussed in the next section. Two key factors include weak labour markets (particularly youth unemployment, which reached 23% for the Arab region in 2010 (International Labour Office, 2011)), and weak private sector development.

Once the major risk factors for social instability and civil unrest have been determined, I will consider the policy tools that can be used to minimize these factors. It is hoped that concrete policy

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1or circumvented entirely through the use of an Independent Service Authority (Collier, 2009b).
recommendations, both for post-transition governments and the international community, would be the output of the proposed research.

Example sub-questions I would seek to answer include:

- How should these fragile societies control unemployment and promote private sector growth?
- What are the most urgent fiscal reforms needed?
- How can a government minimise the wealth and power acquired through privilege and patronage, in order to loosen restrictions on economic mobility?
- To what extent should staff from the old regime be integrated into or excluded from the new one (with possible lessons to be learnt from the Iraq experience)?
- What is the best timeline for holding democratic elections?
- How important is it to ease restrictions on the press?

The specific answers to such questions will obviously be context dependent, but there may be some guiding principles, analogously to the strategies for post-conflict states laid out in Collier (2009a).

This work could be useful for advising post-transition governments themselves, and informing the policies or aid donors and influential multilateral institutions such as the World Bank and IMF. It is important that these countries stabilise on a path towards equality and prosperity and avoid descending into true conflict.

**Background.** There are two major bodies of literature that the proposed research topic would straddle: post-conflict recovery and causes of political instability. Collier (2009a) looks at post-conflict recovery and find important polices for reducing the risk of renewed conflict. Economically, Collier advocates reducing military spending and increasing employment opportunities for young unskilled men. Politically, he highlights the neglected areas of repatriating flight capital, improving governance of mineral rights and managing construction booms. Fiscally, Collier suggests increased foreign aid, low levels of taxation and inflation and healthy scrutiny of public spending.

Much work has also been done on these possible underlying causes of political instability. Inequality (Roe & Siegel, 2011), type of government (Menaldo, 2011), political institutions (Goldstone et al., 2010), unemployment of young men (Collier et al., 2009), and many others, have all been found to be key determinants of political instability and revolution. Conversely, these are also factors that need to be addressed to maximize the resilience of a government that came to power in the midst of instability.

Malik & Awadallah (2011) explore the economic underpinnings of the Arab Spring, and conclude it was caused (in part) by the failure to create independent, competitive and globally integrated private sectors. They also highlight that economic fragmentation into isolated geopolitical units is a major barrier to private sector development.

The proposed research would seek to determine which of the lessons learnt in post-conflict societies can be applied in low or middle-income post-transition societies, and would develop key policy recommendations for promoting stability in these countries. This is an area that has been neglected in current literature, and this gap will become more important if the current trend of simultaneous decline in civil war and rise in other types of regime changes and democratic reversals continues (Human Security Centre, 2006; Freedom House, 2011).

**Methods.** To answer these questions, we can use two types of evidence: cross-country datasets and case studies. Collier & Goderis (2008); Collier & Rohner (2008) and Collier et al. (2009) conduct quantitative studies on the causes of conflict and relapse risk factors by regressing key variables on a sample of 208 countries and 84 civil wars over 40 years. I would like to extend this work in two
ways. Firstly, by including non-war regime changes and political instabilities.\(^2\) Secondly, by empirically
testing some of the hypothesised policy recommendations for post-transition societies. Naturally some
recommendations are ill-suited to cross country analysis, or will be difficult to isolate given the sample
size, but there should be enough data to address the effect of factors such as youth unemployment
rates and private sector growth on the average period of instability.\(^3\)

The other tools at our disposal are case-studies. The Arab Spring has given several to choose from;
it will be interesting to see whether the economic policies of the Libyan, Tunisian and Egyptian post-
transition government are able to curb the economic strife that underpinned the civil unrest of last year.
Historically, we can look at the Philippines in 2001, to the Colour revolutions in Serbia (2000), Georgia
(2003) and the Ukraine (2004), and to many other non-war revolutions. Other countries which provide
an insightful contrast include Myanmar, which is currently undergoing a period of wilful transition
in an attempt to avoid the revolutions seen elsewhere, and Côte d’Ivoire, which avoided protracted
civil war after contested elections but faces many of the more traditional challenges associated with
post-conflict states.

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\(^2\)Goldstone et al. (2010) have already started this work by extending the Correlates of War database to include other
types of instability such as democratic reversals, genocides, and state collapse, of which they find 141 episodes. However
they only consider instability prior to 2003, and do not include revolutions.

\(^3\)Collier et al. (2009) looked at the effect of variables on the risk of a new outbreak of civil war. For post-transition
governments that came to power not through war, an analogous variable, such as the broader Conflict Index from (Banks,
2009), or an instrumental variable for political and economic instability, will have to be constructed.