

The Economics of UN Peacekeeping

Nadège Sheehan



Routledge Studies in Defence and Peace Economics

First published 2011
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

Simultaneously published in the USA and Canada
by Routledge
711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

© 2011 Nadège Sheehan

The right of Nadège Sheehan to be identified as author of this work has been asserted by her in accordance with the Copyright, Designs and Patent Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilized in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Trademark notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging in Publication Data

Sheehan, Nadège.

The economics of UN peacekeeping / by Nadège Sheehan.

p. cm.

Includes bibliographical references and index.

1. United Nations—Peacekeeping forces. 2. Peacekeeping forces—Economic aspects. 3. Peacebuilding—Economic aspects. I. Title.

JZ6374.S52 2011

341.5'84—dc22

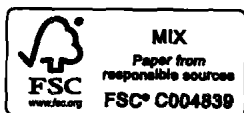
2010050298

ISBN: 978-0-415-56746-6 (hbk)

ISBN: 978-0-203-81441-3 (ebk)

Typeset in Times

by Wearset Ltd, Boldon, Tyne and Wear



Printed and bound in Great Britain by
TJI Digital, Padstow, Cornwall

The Economics of UN Peacekeeping

Peacekeeping is a security concept that is very representative of the current ideas on interventionism, multilateralism, human rights and humanitarianism. UN peacekeeping plays an important role in international security and includes various activities that go beyond the original roles assigned to UN armed forces (for example, humanitarian aid, election supervision, disarmament, mine clearance, civilian protection and peace-building). The problem is to define the economic efficiency of these operations and to develop some recommendations in the context of an economic globalization process.

Although UN peacekeeping has shortcomings, it must be considered essential for organizing and defending the world politico-economic order. UN peacekeeping is a political activity, but its production strongly depends on nations' economic considerations. Governments make political decisions that also take into account the economic gains they expect to obtain from their contribution to any specific mission. With low means and inadequate strategies to meet the challenges, UN peacekeeping must pay particular attention to resolving the problems of free riding and of prisoner's dilemma in contributions that delay deployments and create significant financial problems. Understanding how peacekeeping can be most cost-effectively carried out, while considering the importance of legitimacy in interventions, is essential.

This book believes that regional organizations can ease the UN's financial responsibility by managing conflicts in their regions. But, to be most effective, they must involve the UN in their interventions. This book also emphasizes UN peacekeeping trust funds as the key to better financial effectiveness. It strongly recommends that NATO be empowered by the UN with the role of a global peace police force, and proposes the establishment of a UN high-ranking team of international specialists in peacekeeping issues. This research should be of interest to students and researchers looking at international and political economics, as well as international relations, defense, security and peace studies.

Nadège Sheehan is Research Associate at the University of Grenoble, France.

Routledge studies in defence and peace economics

Edited by Keith Hartley

University of York, UK

and

Jurgen Brauer

Augusta State University, USA

1 European Armaments Collaboration

Policy, problems and prospects

R. Matthews

2 Military Production and Innovation in Spain

J. Molas-Gallart

3 Defence Science & Technology

Adjusting to change

R. Coopey, M. Uttley and G. Spiniardi

4 The Economics of Offsets

Defence procurement and countertrade

S. Martin

5 The Arms Trade, Security and Conflict

Edited by P. Levine and R. Smith

6 Economic Theories of Peace and War

F. Coulomb

7 From Defense to Development?

International perspectives on realizing the peace dividend

A. Markusen, S. DiGiovanna and M. Leary

8 Arms Trade and Economic Development

Theory, policy, and cases in arms trade offsets

Edited by Jürgen Brauer and J. Paul Dunne

9 Exploding the Myth?

The peace dividend, regions and market adjustment

Derek Braddon

10 The Economic Analysis of Terrorism

Tilman Brück

11 Defence Procurement and Industry Policy

Edited by Stefan Markowski and Peter Hall

12 The Economics of Defence Policy

A new perspective

Keith Hartley

13 The Economics of UN Peacekeeping

Nadège Sheehan

Other titles in the series include:

The Economics of Regional Security

NATO, the Mediterranean, and Southern Africa

Jürgen Brauer and Keith Hartley

Acronyms

ACABQ	Advisory Committee on Administrative and Budgetary Questions
AMIS	African Mission in the Sudan
AMISOM	African Union Mission in Somalia
ANA	Afghan National Army
ANAAAC	Afghan National Army Air Corps
ANP	Afghan National Police
ANSF	Afghan National Security Forces
AU	African Union
BINUB	United Nations Integrated Office in Burundi
DCI	Defense Capabilities Initiative
DDR	Disarmament, Demobilization and Reintegration
DOMREP	Mission of the Representative of the Secretary-General in the Dominican Republic
DPKO	Department of Peacekeeping Operations
EASTBRIG	Eastern African Brigade
ECOMOG	Economic Community of West African States Monitoring Group
ECOWAS	Economic Community of West African States
EU	European Union
FAO	Food and Agriculture Organization
FDI	foreign direct investment
FRELIMO	Liberation Front of Mozambique
GATT	General Agreement on Tariffs and Trade Organization
GDP	gross domestic product
GNI	gross national income
GNP	gross national product
GWP	gross world product
IARA-USA	Islamic American Relief Agency
IBRD	International Bank for Reconstruction and Development
IFI	international financial institution
IISS	International Institute for Strategic Studies
ILO	International Labour Organization
IMF	International Monetary Fund
INTERFET	International Force in East Timor

ISAF	International Security Assistance Force
LDCs	least developed countries
MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURCAT	United Nations Mission in the Central African Republic and Chad
MINURSO	United Nations Mission for the Referendum in Western Sahara
MINUSTAH	United Nations Stabilization Mission in Haiti
MONUA	United Nations Observer Mission in Angola
MONUC	United Nations Organization Mission in the Democratic Republic of Congo
MONUSCO	United Nations Organization Stabilization Mission in the Democratic Republic of the Congo
MPRI	Military Professional Resources Inc.
NATO	North Atlantic Treaty Organization
NGO	non-governmental organization
OECD	Organization for Economic Co-operation and Development
OEEC	Organization for European Economic Co-operation
ONUB	United Nations Operation in Burundi
ONUC	United Nations Operation in the Congo
ONUCA	United Nations Observer Group in Central America
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
PFP	Partnership for Peace
PMC	private military company
PSC	private security company
RENAMO	Mozambican National Resistance
RUF	Revolutionary United Front
SADC	Southern African Development Community
SAP	structural adjustment program
SDS	strategic deployment stocks
SHIRBRIG	Standby High Readiness Brigade
SPLA	Sudan People's Liberation Army
SPS	Special Projects and Services Limited
UN	Civilian Police Support Group
UN IMPP	United Nations Integrated Mission Planning Process
UNAMA	United Nations Assistance Mission in Afghanistan
UNAMIC	United Nations Advance Mission in Cambodia
UNAMID	African Union–United Nations Hybrid Operation in Darfur
UNAMIR	United Nations Assistance Mission for Rwanda
UNAMSIL	United Nations Mission in Sierra Leone
UNASOG	United Nations Aouzou Strip Observer Group
UNAVEM I	United Nations Angola Verification Mission I
UNAVEM II	United Nations Angola Verification Mission II
UNAVEM III	United Nations Angola Verification Mission III

UNCRO	United Nations Confidence Restoration Operation in Croatia
UNDOF	United Nations Disengagement Observer Force
UNDP	United Nations Development Programme
UNDPI	United Nations Department of Public Information
UNEF I	First United Nations Emergency Force
UNEF II	Second United Nations Emergency Force
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCU	United Nations Federal Credit Union
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNGOMAP	United Nations Good Offices Mission in Afghanistan and Pakistan
UNICEF	United Nations Children's Fund
UNIDIR	United Nations Institute for Disarmament Research
UNIDO	United Nations Industrial Development Organization
UNIFIL	United Nations Interim Force in Lebanon
UNIKOM	United Nations Iraq–Kuwait Observation Mission
UNIIMOG	United Nations Iran–Iraq Military Observer Group
UNIOSIL	United Nations Integrated Office in Sierra Leone
UNIPOM	United Nations India–Pakistan Observation Mission
UNITA	National Union for the Total Independence of Angola
UNITAF	Unified Task Force
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIH	United Nations Mission in Haiti
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia
UNMIS	United Nations Mission in the Sudan
UNMISSET	United Nations Mission of Support in East Timor
UNMIT	United Nations Integrated Mission in Timor-Leste
UNMOGIP	United Nations Military Observer Group in India and Pakistan
UNMOP	United Nations Mission of Observers in Prevlaka
UNMOT	United Nations Mission of Observers in Tajikistan
UNOCI	United Nations Operation in Côte d'Ivoire
UNODC	United Nations Office on Drugs and Crime
UNOGIL	United Nations Observation Group in Lebanon
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNOMSIL	United Nations Observer Mission in Sierra Leone
UNOMUR	United Nations Observer Mission Uganda–Rwanda
UNOSOM I	United Nations Operation in Somalia I
UNOSOM II	United Nations Operation in Somalia II
UNPREDEP	United Nations Preventive Deployment Force
UNPROFOR	United Nations Protection Force
UNRRA	United Nations Relief and Rehabilitation Administration
UNSF	United Nations Security Force in West New Guinea

USAID	United States Agency for International Development
UNSIA	United Nations Security Insurance Agency
UNSMIH	United Nations Support Mission in Haiti
UNTAC	United Nations Transitional Authority in Cambodia
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTAET	United Nations Transitional Administration in East Timor
UNTAG	United Nations Transition Assistance Group
UNTMIH	United Nations Transition Mission in Haiti
UNTSO	United Nations Truce Supervision Organization
UNYOM	United Nations Yemen Observation Mission
WFP	United Nations World Food Programme
WHO	World Health Organization
WTO	World Trade Organization

Contents

<i>List of figures, tables and boxes</i>	xi
<i>List of acronyms</i>	xiv
Introduction	1
1 Theoretical basis of UN peacekeeping	7
<i>Peacekeeping definitions: a comparison</i>	7
<i>UN peacekeeping, an impure international public good</i>	16
<i>The question of public choices in peacekeeping production: the impossible aggregation of national preferences</i>	22
<i>Nations' participation in peacekeeping is based on national interests and on their utility for the operation</i>	24
<i>The indivisible nature of peacekeeping leads to free-rider problems</i>	25
<i>The prisoner's dilemma situation in contributions to UN peacekeeping</i>	27
<i>Collective production of UN peacekeeping is subject to disproportionate burden sharing</i>	31
<i>Production of peacekeeping is not optimal</i>	32
<i>Production of peace raises issues of internalization of externalities</i>	34
2 The history of UN peacekeeping operations	37
<i>Economic theories and peacekeeping</i>	37
<i>The creation of the UN and its place in the Cold War</i>	46
<i>UN peacekeeping 'visible' activities 1945–92: more failures than successes</i>	49
<i>Economic considerations of peacekeeping</i>	63

3	From traditional to multidimensional operations, or the development of UN peacekeeping	69
	<i>First UN peacekeeping missions, 1956–88, or so-called ‘first-generation’ operations</i>	69
	<i>Re-birth of peacekeeping after the Cold War and evolution to multidimensional operations</i>	70
	<i>A significant increase of UN peacekeeping operations and of military personnel</i>	84
4	Financing UN peacekeeping: an inequitable peacekeeping assessment scale	95
	<i>Fundamental characteristics of the scale of assessment for peacekeeping</i>	96
	<i>Significant shortcomings in the scale of assessment for peacekeeping</i>	100
	<i>Problems of equity in the scale and consequences</i>	106
	<i>Inequity leads to an increase in the assessments of rich countries: possible decline in contributions</i>	113
5	UN peacekeeping expenditure and total costs	115
	<i>Peacekeeping expenditure fluctuates significantly, 1950–2010</i>	115
	<i>Peacekeeping approved resources versus regular budget appropriations: a comparison indicating the UN’s heavy responsibility in international security</i>	119
	<i>Share of peacekeeping expenditure in world military expenditure: countries’ low commitment to peacekeeping</i>	121
	<i>Total UN published peacekeeping expenditure does not reflect total costs of UN peacekeeping activities</i>	123
	<i>Peacekeeping expenditure should be non-discretionary</i>	131
	<i>UN debt in peacekeeping and consequences</i>	135
6	A UN permanent army versus a patchwork of national armies	144
	<i>UN peacekeeping, an ad hoc arrangement of national armies</i>	144
	<i>Contributing nations benefit from significant economic advantages</i>	144
	<i>Production of peacekeeping by a patchwork of national armies is costly, in the short term</i>	145
	<i>The strategic deployment stocks (SDS), a system that seeks to accelerate deployments</i>	148
	<i>Production of UN peacekeeping through a permanent army</i>	151

<i>A permanent army potentially would generate free-rider and disproportionate burden sharing problems</i>	151
<i>Proposals for the size and the annual cost of a permanent army</i>	154
<i>Better efficiency of the permanent army requires a good geographical composition of military personnel</i>	159
<i>The impact of the permanent army at national and global levels and on the country where the force is stationed</i>	160
<i>Benefits and costs of a permanent army</i>	164
7 UN peacekeeping, debates and propositions for a world politico-economic order	173
<i>UN peacekeeping is accused of worsening the state of international security</i>	173
<i>Debates about judging success of peacekeeping operations</i>	181
<i>UN peacekeeping, a necessary tool for the world politico-economic order</i>	185
<i>The UN Global Compact Project for cooperation between the private sector and peace efforts</i>	193
<i>UN peacekeeping promotes democracy in post-conflict countries</i>	196
<i>The state plays an important role in UN peacekeeping efforts</i>	199
8 UN peacekeeping and globalization	206
<i>Globalization has both positive and negative economic effects</i>	207
<i>Disarmament: a non-negligible process for peace consolidation after conflicts</i>	209
<i>Reintegration, a complex effort, but crucial for peace and development</i>	218
<i>The importance of program harmonization: a regional peacekeeping operation</i>	220
<i>Proposal for a new role for NATO: global peace police force</i>	221
<i>Enlargement, a sine qua non condition for strengthening NATO</i>	223
<i>Managing crises beyond the Atlantic: creation of a response force</i>	227
<i>The issue of inequitable national charges in NATO</i>	228
<i>NATO in Afghanistan: a critical mission</i>	234
<i>NATO's difficulties in managing international crisis with European allies</i>	235
<i>Global peace police force: the gains outweigh the costs</i>	237

9 Private organizations and peacekeeping	242
<i>The role and effectiveness of NGOs in peacekeeping operations</i>	242
<i>NGO interventions in conflict resolution can generate significant problems</i>	246
<i>The relationship between NGOs and the military</i>	255
<i>NGOs and questions of legitimacy</i>	256
<i>The production of peacekeeping by private military companies (PMCs)</i>	259
<i>PMCs intervene based on purely economic motivations</i>	261
<i>PMCs: an inadequate economic alternative for full production of peacekeeping</i>	263
<i>Calling upon PMCs is an expensive economic choice for developing countries</i>	266
<i>Production of peacekeeping by PMCs may hinder peace efforts</i>	268
 10 Toward an analysis of more efficient financing solutions for UN peacekeeping	 272
<i>The need for better economic choices for producing UN peacekeeping: a comparison of various production systems</i>	273
<i>Financing UN peacekeeping operations: some old ideas</i>	279
<i>Financing UN peacekeeping operations: recent proposals</i>	287
 11 Conclusion	 300
 <i>Notes</i>	 308
<i>Bibliography</i>	314
<i>Index</i>	336

Figures, tables and boxes

Figures

1.1	UN peacekeeping production outputs	19
2.1	Contribution of Member States to the UN intervention in Korea	51
2.2	UN peacekeeping expenditures, 1947–92	66
2.3	Expenditure versus payment owed, 1975–92 (in millions of current US dollars)	66
2.4	Trends of expenditure versus payment owed, 1975–92 (in millions of current US dollars)	67
3.1	Intrastate armed conflicts with and without international military support, 1989–2008	73
3.2	Total number of intrastate armed conflicts versus total number of interstate armed conflicts, 1989–2009	76
3.3	Intrastate armed conflicts versus interstate armed conflicts, 1989–2008	77
3.4	Number of conflicts managed by UN peacekeeping versus total number of conflicts, 1989–2008	78
3.5	Number of peacekeeping operations versus number of civil wars, 1989–2008	80
3.6	Disputes generating more than 1,000 deaths in one year versus disputes generating fewer than 1,000 deaths in one year, 1989–2008	83
3.7	Relationship between UN peacekeeping intervention and the decrease of wars (>1,000 deaths in one year), 1989–2008	83
3.8	Number of UN peacekeeping operations, 1947–July 2010	84
3.9	Periodic and geographical distribution of UN peacekeeping operations, 1948–July 2010	90
3.10	Military personnel in UN peacekeeping operations, 1947–July 2010	91
3.11	UN force in peacekeeping operations versus number of ongoing peacekeeping operations, 1947–July 2010	93
5.1	Peacekeeping expenditure, 1950–2010 (in millions of current US dollars)	117

xii *Figures, tables and boxes*

5.2	Regular budget appropriations vs. approved resources for peacekeeping, 1991–2010	119
5.3	World military expenditure versus UN peacekeeping expenditure, 2000–8 (in current US dollars)	121
5.4	Ratio of headquarters support costs for peacekeeping to peacekeeping budgets, 1996–2010 (in millions of current US dollars)	126
5.5	Headquarters support costs for peacekeeping versus peacekeeping budgets, 1996–2010 (in millions of US dollars)	127
5.6	Peacekeeping payment arrears, 1975–2009 (in millions of current US dollars)	138
7.1	Impact of peace consolidation activities in countries coming out of conflict	176
7.2	Impact of importing the neoliberal model through UN peacekeeping operations and of applying ‘second-generation’ peacekeeping to countries coming out of conflict	184
11.1	Countries with low politico-economic interests for peacekeeping generate international disorder	305
11.2	Countries with high politico-economic interests for peacekeeping generate a better world politico-economic order	306

Tables

1.1	Some interesting peacekeeping definitions with some commentaries	10–15
1.2	Benefits generated by the production of UN peacekeeping	18
1.3	Application of the Condorcet Paradox to UN peacekeeping	23
2.1	Military participation of contributing nations to the UN intervention in Korea, as of 31 December 1951	52
2.2	Summary of contributions to UNEF as of 8 February 1966, for the period 1957–65	57
2.3	Summary of contributions to ONUC as of 8 February 1966, for the period July 1960–June 1964	60
2.4	UN peacekeeping expenditure between 1947–92, and comparison between expenditure and payments owed by countries between 1975–92 (in millions of current US dollars)	65
3.1	Intrastate armed conflicts with and without international military support, 1989–2008	74
3.2	Intrastate armed conflicts versus interstate armed conflicts, 1989–2008	75
3.3	Number of conflicts managed by UN peacekeeping versus total number of conflicts, 1989–2008	79
3.4	Number of peacekeeping operations versus number of civil wars, 1989–2008	81
3.5	Disputes generating more than 1,000 deaths in one year (noted wars) vs. disputes generating fewer than 1,000 deaths in one year, 1989–2008	82

3.6	UN peacekeeping operations created, 1948–87	85
3.7	UN peacekeeping operations created, 1988–July 2010	86–7
3.8	Ongoing UN peacekeeping operations, as of 31 July 2010	89
3.9	Military personnel in UN peacekeeping operations, 1947–2010, and ongoing missions, 1988–2010	92
4.1	Category levels for assessment to UN peacekeeping operations for 2010–12, based on average per capita gross national income of Member States and other factors	99
4.2	Percentage of assessment to the regular budget to be paid by Member States for peacekeeping operations, after application of the discounts	101
4.3	Discount rates versus contribution rates for UN peacekeeping financing	107
4.4	Progressivity based on contribution rates determined according to countries' world share of national revenue	109
4.5	Example of contributions for a country whose world share of revenue is \$10 billion (in US dollars)	109
5.1	UN peacekeeping expenditures, 1950–2010	116
5.2	Regular budget appropriations versus approved resources for peacekeeping, 1991–2010	120
5.3	Ratio of headquarters support costs for peacekeeping to peacekeeping budgets, 1996–2010	125
5.4	Peacekeeping payment arrears, 1975–2009	137
6.1	Proposed size and annual costs for a UN permanent army	155
8.1	Defense burden sharing between some large allies and the new members of 1999 and 2004 (2000 and 2000–8)	229
8.2	Defense efforts of NATO's allies (2000–8)	232–3
9.1	Listing and budget of some NGOs involved in conflict resolution	244
9.2	Principal organizations and their involvement in armed conflict	252–3
9.3	Economic theories of war and peace conveyed voluntarily or not by NGOs	258
10.1	Comparison of four economic choices for producing peacekeeping operations	274–5
10.2	Financing proposals for peacekeeping operations	296–7

Boxes

4.1	List of Member States by category of contributions to UN peacekeeping for 2010–12	97–8
4.2	Principal shortfalls in the scale of assessments to UN peacekeeping operations	104

Introduction

Although there is no document that indicates the official date of the first peacekeeping operation, it is usually considered that the term ‘peacekeeping’ appeared for the first time in the mid-1950s when the United Nations Organization (UN) created a new international force (UNEF I) to meet the security problems of the period. The idea was to replace collective security, which was ineffective for the least, with a new system that would generate increased commitment among Member States. Although it was first organized to respond to the international community’s specific national needs, it is mainly in the 1990s, after the Cold War, that the concept of peacekeeping activities really occupied a central place in UN activities. The tasks assigned to peacekeepers – the ‘blue helmets’ – were then increased substantially and became more diversified.

The world has changed considerably since 1945. The end of the Cold War gave way to the emergence of many national disputes. After interstate wars, conflicts today occur especially within nations themselves. Since the beginning of the 1990s, the UN therefore has had to manage numerous intrastate conflicts as well as growing terrorist activities. UN peacekeeping can no longer simply attempt to arbitrate conflicts. It must analyze all their causes. Conflicts no longer particularly seek the accumulation of wealth, or colonization. Current threats particularly pertain to power concerns, poverty, economic inequalities, the degradation of the environment, the proliferation and risks of the use of weapons of mass destruction, and terrorism.

It is necessary that UN peacekeeping lend its support to the globalization efforts, in working toward the reduction, or the eradication of threats, which particularly affect developing countries. UN peacekeeping, in the end, promotes trade, economic, political and social relations between individuals, regions and among nations.

Peacekeeping has always been – and is still today – subject to significant development.

The international security environment and the current implications of economic globalization lead to the emergence of terms such as ‘third-generation’, or even ‘fourth-generation’ and ‘fifth-generation’ peacekeeping operations. UN peacekeeping has evolved to become more multidimensional in nature; it comprises a range of components that include military, civilian police, political affairs,