The Gender and Trade Coalition was initiated in 2018 by feminist and progressive activists to put forward feminist trade analysis and advocate for equitable trade policy.

This article is the second in a series of short, Q&A format ‘explainers’ unpacking key trade issues produced for the Gender and Trade Coalition by Regions Refocus. It was written by Senani Dehigolla (Regions Refocus), Erica Levenson (Regions Refocus), Anita Nayar (Regions Refocus), Nela Porobić (WILPF), and Fatimah Kelleher (Nawi–Afrifem Macroeconomics Collective).

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1. Does Trade Enhance Post-Conflict Recovery?

Post-conflict contexts can refer to a spectrum of situations of violent political conflict (both inter-state and within states) which share similar considerations for reconstruction and development. Countries recovering from conflict wrestle with the challenges of sustaining peace while restoring their economies, rebuilding devastated social and physical infrastructure, and providing basic services to people whose lives have been upended by displacement and insurmountable loss (Cohn and Duncanson 2020; Mallett and Pain 2018). Many realities do not reflect the static term 'post-conflict', as conflicts can restart and end at different times in different parts of a country (Mallett and Pain 2018; Turner, Aginam and Popovski 2008). While trade may provide opportunities for exports and economic growth, unfettered trade liberalization can be counter-productive to domestic industries’ recovery and does not necessarily benefit affected populations or lead to lasting peace (Kurtenbach and Rettberg 2018; Langer and Brown 2016; Oxfam 2007).

According to the infamous McDonald's theory of peace, no two countries that both have a McDonald's have ever fought a war against each other; this is because they are assumed to engage in free trade with one another and, therefore, a war would threaten both of their economies (Friedman 2000). Adhering to this theory, the World Trade Organization (WTO) Trade for Peace Programme highlights the role of trade and economic integration in promoting peace and security. It presents post-conflict contexts as a new opportunity to generate profit for multinational corporations (MNCs) based on the argument that integration into the multilateral trading system leads to stability and economic well-being.

In reality, turning post-conflict recovery into a one-size-fits-all outcome can lead to violent and incomplete re-integration into the global economy (Kurtenbach and Rettberg 2018; Langer and Brown 2016; Mallett and Pain 2018). This directly affects disarmament, demobilization, and reintegration.
(DDR) programs on the ground which are critical to rebuilding post-conflict societies (Woodward 2013). Conflict can be further fueled by economic activities, with MNCs at worst capitalizing on conflict and post-conflict contexts to increase land grabs and labor rights violations, and at best continuing with business as usual despite the conflict (see for example Abed and Kelleher 2022; Frynas and Wood 2001).

Opening recovering domestic industries to highly competitive global markets can lead to the elimination of local economic actors and the further weakening of domestic industries, which deepens inequalities within and between countries (Krpec and Hodulak 2019). Even while some post-conflict countries such as Sri Lanka and Uganda have benefited from trade liberalization according to macroeconomic indicators, their GDP growth has failed to produce jobs for domestic populations, thereby neglecting to heal post-conflict wounds (Mallett and Pain 2018, 265). While trade liberalization may facilitate reintegration into the economic system, the same cannot be said for trade liberalization’s ability to facilitate the recovery of “the conditions of people’s lives nor a society’s recovery from war” (Cohn and Duncanson 2020, 5).

Countries coming out of conflicts face great challenges mobilizing sufficient domestic resources for their recovery. Given the disparity between the scale of funding needed for post-conflict recovery and the amount of aid offered by bilateral and multilateral donors, most post-conflict countries seek economic assistance through international financial institutions (IFIs)—namely the World Bank, International Monetary Fund (IMF), and WTO (Coppola 2015; Tett 2022). Even as conflicts are ongoing, IFIs are often involved in assessing and planning for post-conflict recovery, giving them a unique position of power to influence the economic policies and reforms that are adopted (True and Svedberg 2019).
Dominant neoliberal economic logic that “bilateral trade interdependence and global trade openness significantly promote peace” obscures the role that protectionist trade policy has historically played in post-war recovery in now-developed countries (NDCs) (Lee and Pyun 2020). The policies currently promoted by IFIs and bilateral and multilateral funders involved in post-war recovery do not reflect the importance of protectionism in post-war recovery— and development in general— which is clearly demonstrated by NDCs’ historical experiences (Chang 2002; Krpec and Hodulak 2019). The journey back to economic stability for most NDCs post-World War II was made possible by significant state spending, intense protectionism, and state intervention which limited market competition (Chang 2002; Shaikh 2007). Yet, this evidence of the policies which facilitated NDCs’ post-war recovery less than a century ago is completely contrary to current IFI policy prescriptions for developing countries.

In exchange for loans and trade opportunities through IFIs, countries undergo mandatory policy reforms that weaken the state in an effort to attract foreign private capital, and to enable this capital to flow without impediment (Mallett and Pain 2018; Woodward 2013). The rolling back of the state at the precise moment that active state involvement is most needed carries with it dire consequences, especially for women (Abed and Kelleher 2022; Cohn and Duncanson 2020; Mallett and Pain 2018; Mlinarević et al. 2017; Woodward 2013).

The required reforms to receive loans and trade opportunities typically include: privatization of key industries and public services such as public transport, health care, public utilities, and education; reduction of state spending, often in critical areas such as health, education, and social...
protection; regressive taxation and deregulation of corporations and foreign investors; dismantling of subsidies to small businesses; and trade liberalization (Ortiz and Cummins 2022; Woodward 2013). Debtor countries are then effectively forced to prioritize debt servicing as the focal point of their economic policies, which results in unfulfilled state obligations as available revenue goes towards debt repayment rather than social expenditures, DDR programs, or development strategies (Sibeko 2022; Villaroman 2010).

IFIs’ conflation of “recovery from war and recovery of the economic system” is reflected in the restrictions placed on states for social investments (Cohn and Duncanson 2020, 5). Impact assessment research is often used to justify these policies, typically demonstrating their success in an effort to further encourage private capital to flow into newly available trading opportunities (see for example Gertler et al. 2016; World Bank 2009, 2021b, 2022). Unfortunately, the data cited by this research is often technocratic and biased in nature, and alternative data that reflects the starkly different realities on the ground is difficult for civil society in post-war states to resource autonomously, leaving only these ungrounded analyses as insights (Moreno-Serra et al. 2022; UN Women 2019; Weidmann 2015).

3. How do Trade and Investment Agreements Exploit Post-Conflict Economic Opportunities?

On the premise of aiding post-conflict recovery, the “forgotten power of trade” is revived and trade agreements are touted as crucial post-conflict recovery tools (Hillman 2020; see also Eichengreen and Irwin 1995; Eichengreen 1996; Terborgh 2003). Post-conflict economies are viewed as emerging markets to be molded to serve the economic interests of the Global North, accomplished through a combination of trade agreements and loan and aid conditionalities (Cohn and Duncanson 2020; Ivanova 2007; Mallett and Pain 2018).
In a post-conflict context, people are in great need of livelihoods (Mallett and Slater 2012). This makes them more vulnerable to exploitation, as they are more likely to tolerate worse working conditions (lower pay, fewer safety precautions, etc.) if it means they can secure a job and, by extension, earn a living. At the same time, post-conflict countries are often dependent on foreign investment, forcing them to dismantle labor market regulations in an effort to attract investors, as prescribed by loan conditionalities.

Looking at the ‘success stories’ of Bangladesh and Vietnam, post-war loans from IFIs, bilateral foreign aid, and foreign investment have resulted in sustained GDP growth (Baum 2020; World Bank 2021a). However, both Bangladesh and Vietnam’s economic growth has been accompanied by some of the worst workers’ rights violations in the world, predominantly of women workers, characterized by unsafe working conditions, gender-based violence, forced labor, physical abuse, and sexual abuse (ActionAid 2019; Brown 2021; Marsh and Ahmed 2019; Rodriguez 2019; Zhang et al. 2021). These abuses have been made possible by labor market deregulation, a prerequisite of necessary economic stimulus. Despite former IMF Managing Director Christine Lagarde’s position that “when women do better, the economy does better,” economic ‘opportunity’ for investors in these post-conflict contexts has been built by women’s exploitation (Lagarde 2013).

Another concern related to foreign private investment in post-conflict contexts is asymmetrical recovery: banking, telecommunication, and energy sectors are targeted by investors since they are profit generators, with little regard for social impacts such as increasing inequality within the country (Frynas and Wood 2001; Turner, Aginam and Popovski 2008; UNDP 2008). Attracting foreign investment and allowing it to flow freely is prioritized,
while social concerns such as reducing inflation are demoted to “second-order priorities” (UNDP 2008, xxi). A focus on immediate profit rather than long-term recovery undermines support for local productive industries that could be key players in recovery plans and sustainable, equitable growth (Mallett and Pain 2018; Turner, Aginam and Popovski 2008).

For example, after the civil war ended in Sri Lanka, new banks and finance companies promoted exploitative microfinance schemes specifically aimed at the Tamil population in the Northern Province, as they tended to buy gold as a means of saving and also as a cultural practice (Kadirgamar 2013). In due course, the Tamil population faced widespread indebtedness, and many had no alternative but to pawn their gold to help repay their loans (ibid.). Another example is Ukraine, which has offered incentives to foreign investors including up to ten years exemption from corporate income tax (Porobić 2023). Ukraine’s Ministry of Economy signed a memorandum of understanding in November 2022 with BlackRock, the world’s largest investment firm; with US$8.5 trillion in assets, BlackRock has now set up and is managing an investment fund for the recovery of Ukraine (ibid.). These initiatives place foreign investment, private capital, and profit at the center of the country’s recovery instead of people’s needs.

4. What is the Role of the Extractive Sector in Post-Conflict Trade and Investment?

Enabled by privatization and deregulation, corporations around the world have taken control of large swaths of national economies (see for example Hathaway 2020; Kline 2006). Economic domination of MNCs headquartered in the Global North has maintained the trade dominance of the Global North, with one main way being through privatizing the mining sector (Hormeku-Ajei et al. 2022). MNCs’ control of the extractive sector has ensured that the mining sector in developing countries remains export-oriented, as it was under colonialism, which has perpetuated primary commodity export dependence of the Global South (Hormeku-Ajei et al. 2022; Radley 2023).
Although mining contributes to the root causes of both imperial and civil wars in many countries, increasing the scale of natural resource extraction in war-affected countries is a common strategy cast as an essential component of post-conflict recovery (Bah 2014; Maconachie 2016; Petras and Veltmeyer 2016). In the context of post-conflict recovery in developing countries, private foreign control over the mining sector precludes the possibility that mining could meaningfully contribute to recovery: not only does the extraction of raw minerals mainly supply the Global North’s consumption and growth needs, but value additions (such as petroleum refining) also accrue to MNCs based in the North (Hormeku-Ajei et al. 2022). Revenue from mining that could power recovery and autonomous development processes in post-conflict developing countries is exported to the Global North along with the raw minerals.

Increasing natural resource extraction to aid in post-conflict recovery by attracting foreign investment has proven to backfire, not only in terms of revenue generation but also in terms of facilitating lasting peace. For example, in 2011, a newly independent South Sudan invited international investments into a newly opened oil field that was estimated to generate $1.3 billion in oil revenue per year (Collier 2010, pp. 75-77). Not only has the majority of revenue from petroleum extraction and value additions accrued to the MNCs who control it, but since opening the oil field, the government has lost more than $4 billion in unpaid taxes to oil companies alone (Mayar 2021). Labor exploitation by oil companies is also prevalent, alongside land grabbing for crops, timber production, and tourism, sowing tensions related to this injustice (McGinnis 2020). In the case of Liberia, a country rich in rubber, diamonds, and timber, heightened competition between trading parties nearly reignited the civil war, compounded by...
several incidents of ex-combatants taking control of the extraction of natural resources after the war (McCandless and Tyler 2006).

Relying on foreign-controlled natural resource extraction as a source of revenue generation in post-conflict contexts also exacerbates structural gender inequality. To begin with, because of the chronic shortfalls it creates, programs cannot be funded to address the specific needs of women following the conflict, including reproductive and mental healthcare, state programs to reduce burdens of care work, and economic assistance (Puechguirbal 2012). Compounding the unaddressed gendered impacts of conflicts, mining is highly gendered, from the demographic of mining workforces to environmental impacts (Hofmann and Cabrapan Duarte 2021). As male-dominated workforces move into the area to work in mining,¹ risks of gender-based violence (GBV) skyrocket for women in mining communities, especially Indigenous women (Cane, Terbish, and Bymbasuren 2014; Major, Longboat, and Sarapura-Escobar 2023). Moreover, large-scale mining operations are some of the most environmentally destructive activities in the world, and women are more impacted than men by degradation of the environment. This is so not only in their roles as subsistence providers of scarce natural resources but also as caregivers of increasingly ill children and families, not to mention their own health risks on top of which burdens of unpaid care work rest (Cannon 2002; Cohen and van der Meulen Rodgers 2021; Goldsworthy 2010). These impacts contradict the objectives of DDR programs, once again placing profits over social wellbeing.

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¹ Not all mining operations are male-dominated. Most women who work in mining, however, work in small-scale artisanal mining, which is itself marked by high rates of gender-based violence (see for example Pillinger and Wintour 2022).
5. Strategic Policy Proposals

The brutality of conflict— from insurgencies, people’s wars, wars of national liberation, guerrilla wars, partisan wars, invasions, to civil wars— is largely ignored in the drive to assimilate post-conflict countries into a global economic order that favors the Global North. For post-conflict recovery to be more equitable and just, a holistic approach to trade and investment issues is needed— one that acknowledges the socioeconomic impacts and causes of conflicts. An intersectional and gendered understanding of how conflict affects people and groups differently— through changes in ability to work, access to healthcare and education, access to natural resources such as water and land, and agency and influence over political and economic decision-making— is a prerequisite to using trade as a tool to improve people’s right to live a life in safety and dignity. To this end, it is critical to:

1. Include clauses in trade agreements that put a moratorium on investment protection agreements in cases of conflict. These protections constrain national policy space to design and implement post-conflict recovery efforts and can lead to further human rights abuses. Such a moratorium clause can be a starting point for wider policy reforms that respect the right of states to regulate foreign investors and prevent runs on capital, which can deepen economic crises.

2. Limit the role of extractive industries in post-conflict recovery. While conflict-affected countries need to increase revenues to meet human needs, this must be done in a sustainable way, within safe ecological limits, and guided by human well-being and ecological regeneration (Acheson et al. 2022). In addition to the wide range of negative social and environmental impacts that extractive industries have had in conflict and post-conflict countries, they have stolen billions of dollars worth of tax and revenue from states. Increasing
natural resource extraction should not be seen as a surefire way of generating domestic revenue, especially when MNCs control most or all of the mining operations. Instead, states should revive the Keynesian principle of increasing social spending as a means of stimulating the economy, and focus on reinvesting as much revenue as possible in job creation, domestic industry recovery, and lasting structural economic transformation.

3. Adopt binding international law on the duty of corporations to conduct mandatory human rights due diligence of business activities for all sectors, ensuring their operations do not exacerbate conflict. While there are non-binding agreements such as the Guiding Principles on Business and Human Rights, there is no enforcement mechanism for breach of these agreements. As corporations have clearly shown their priority is profit over people, even in conflict and post-conflict recovery contexts, it is necessary to create binding legislation regulating their activities.

4. Publish accessible, transparent, thorough gender analysis before finalizing any lending or trade agreements with conflict or post-conflict countries. Concessional financing and trade agreements could aid post-conflict recovery, but different countries recovering from war need different economic policy reforms and packages that address the intersectional and gendered needs of their populations. National trade policy space needs to be carefully tailored and customized for each post-conflict scenario, as predatory or insensitive lending and trade agreements drive fragile post-conflict countries deeper into debt.

5. Ensure the participation of diverse civil society groups— including NGOs, farmers, workers, women’s and indigenous groups— in post-conflict trade negotiations and other economic decision-making processes to allow for inclusive policymaking that is reflective of the range of views and experiences across different social stratifications. Relatedly, it is critical to protect the right to protest free of violent reprisals, which have become increasingly common across the world as CCTV and other forms of digital surveillance have enabled identification and persecution of protestors.


