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ASSEMBLING EVIDENCE ON THE BENEFITS AND
COSTS OF PREVENTIVE ACTION

A report informed by a workshop
held at the
Winston Foundation for World Peace
Washington, DC
31 March 1995

by Gordon Thompson

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Summary

Preventive action (also known as preventive diplomacy) seeks to prevent violent conflict. It is widely believed that preventive action is more cost-effective than a policy of responding to conflicts or crises after they have erupted. Yet, there are few systematic analyses of the benefits and costs of preventive action.

The Institute for Resource and Security Studies (IRSS) has proposed a process for assembling evidence on the benefits and costs of preventive action. A workshop was held to examine the need for such evidence and the merit of the particular process that IRSS has proposed. Overall, it was concluded: (1) that evidence on benefits and costs can and should be assembled; and (2) that IRSS's proposed process is feasible and useful.

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About the Institute for Resource and Security Studies

The Institute for Resource and Security Studies (IRSS), founded in 1984, conducts research and public education on international security and the sustainable use of natural resources. IRSS's simultaneous pursuit of these two broad areas reflects a conviction that resource and security issues are intimately related and often require a common approach. Current IRSS interests include nuclear and conventional arms control, preventive diplomacy and conflict resolution, climate change, sustainable communities, and the environmental implications of energy technologies, among others.

About the Author

Gordon Thompson is executive director of IRSS. With Paula Gutlove, he co-directs IRSS's work on preventive diplomacy and national security. This report reflects one of his major interests, namely the systematic collection of information on practical experience. Thompson believes that information of this kind can improve practice and policy formation in many contexts, including preventive action.

1. Introduction

Our leadership must stress preventive diplomacy -- through such means as support for democracy, economic assistance, overseas military presence, military-to-military contacts and involvement in multilateral negotiations in the Middle East and elsewhere -- in order to help resolve problems, reduce tensions and defuse conflicts before they become crises. These measures are a wise investment in our national security because they offer the prospect of resolving problems with the least human and material cost.¹

(The White House, February 1995)

In articulating the United States' national security strategy, the White House reflects a widely shared belief that preventive diplomacy (preventive action) is more cost-effective than a policy of responding to conflicts or crises after they have erupted. There are persuasive arguments for this position, but the case can be difficult to prove. Moreover, there is no consensus about the optimal role of preventive diplomacy within US national security planning, or about the optimal allocation of resources across preventive diplomacy options.²

The Institute for Resource & Security Studies (IRSS) is in the second year of a research/education project on preventive diplomacy and national security. During the first year of the project, IRSS and the Winston Foundation for World Peace held a workshop in Washington, DC, that generated several specific recommendations.³ Through a current round of interviews, IRSS has identified a need for the systematic assembling of evidence on the benefits and costs of preventive action. This task will require an ongoing effort by many people. Consensus-based methodologies for benefit-cost assessment do not currently exist, but we expect that they will emerge as more people devote attention to this subject.

As a first step, IRSS has proposed a process for the systematic assembling of evidence on the benefits and costs of preventive action. In March 1995, IRSS organized a workshop to examine the need for such evidence and the merit of the particular process that IRSS has proposed. The workshop was held at the offices of the Winston Foundation for World Peace, Washington, DC. Participants in the workshop are listed in Section 7, below. While this report is informed by the workshop discussion, none of the participants, other than the author, is responsible for the statements made here.

¹ The White House, *A National Security Strategy of Engagement and Enlargement* (Washington, DC: The White House, February 1995, page 7).

² For a critical perspective, see: Stephen John Stedman, "Alchemy for a New World Order: Overselling 'Preventive Diplomacy' ", *Foreign Affairs*, May/June 1995, pp 14-20.

³ Gordon Thompson and Paula Gutlove, *Preventive Diplomacy and National Security: Incorporating Conflict Prevention and Conflict Resolution as Elements of US National Security Policy* (Washington, DC: Winston Foundation for World Peace, May 1994).

2. The Scope of Preventive Action

For this exercise, IRSS takes a broad view of preventive action (preventive diplomacy). We favor a definition that has been articulated by Michael Lund of the US Institute of Peace:

Preventive diplomacy involves governmental or non-governmental diplomatic, political, economic, military or other efforts that are taken deliberately at an early stage to keep states or communal groups from threatening or using armed force or coercion as the way to settle political disputes that arise from the destabilizing effects of national and international change. It aims to discourage or minimize hostilities, reduce tensions, address differences, create channels for resolution, and alleviate insecurities and material conditions that tempt violence.⁴

It could be argued that this broad definition fits many of the large-scale international security initiatives that have been undertaken during the past several decades. For example, the Marshall Plan, NATO, and nuclear deterrence might be said to fit this definition.

In the present exercise, we do not seek to debate that point. Without denying its importance, we focus our attention on smaller-scale initiatives that are relevant to the post-Cold War era. These initiatives may employ non-military measures such as conflict resolution, economic assistance, or the promotion of civil society and democracy. They may involve the use of armed forces, but with a different scale and mode of application than was characteristic of the Cold War.⁵ They often allow an important role for non-government organizations.

The US government supports, as do many other entities, a variety of programs that are intended to improve conditions in disadvantaged countries. These programs promote environmentally sustainable development, the empowerment of women, public health, population stabilization, the development of market economies, and other objectives. Often, the full impact of a program may not be felt until years or decades have passed. Convincing arguments can be made that these programs serve the national interests of the United States as well as the interests of the recipient countries. Arguments have also been offered that these programs are a form of preventive diplomacy, because they reduce the likelihood of future violence. That is another point which IRSS does not currently seek to debate within this exercise. Instead, at least initially, we plan to focus on initiatives that are primarily intended to prevent violence or coercion. This limited focus is for a practical purpose, namely to make our exercise more manageable.

⁴ Michael S. Lund, *Preventive Diplomacy and American Foreign Policy: A Guide for the Post-Cold War Era* (Washington, DC: US Institute of Peace, August 1994, Draft, page 53).

⁵ An example is the present deployment of US troops in Macedonia.

3. The Scope of Benefits and Costs

In the sphere of preventive action, the concept of "benefit" requires more thought than scholars have given it to date. As a starting point, we believe that an assessment of the benefits of a preventive action will involve two categories of analysis. One category will address "avoided costs", namely the costs associated with violent events that might have occurred but did not. The second category will involve an assessment of the probabilities of occurrence of potential violent events, with or without the preventive action.⁶ Clearly, these are difficult matters to analyze. Also, judgement will be needed, even if methodologies are considerably improved and more data become available.

By comparison, "cost" is a more straightforward concept. Some of the costs of preventive actions or violent events can be directly measured or can be inferred from available data. Recent years have, unfortunately, provided a large body of data on intrastate violence. Some costs, however, are more difficult to assess.

The most easily assessed costs are of those of a direct, material nature. For violent events, these costs include human suffering (deaths, injuries, population displacements, etc.), property damage, and the costs of efforts to relieve suffering (emergency food aid, etc.). For preventive actions, the direct, material costs include salaries and logistical support for personnel engaged in preventive actions, deaths and injuries suffered by such personnel in the course of their duties, economic assistance that has a preventive purpose, etc.

There are also non-material and indirect costs, which are harder to assess. Three examples may illustrate. First, a preventive action by a government might involve the expenditure of scarce political capital; this could be a significant non-material cost. Second, a preventive action might establish an ongoing dependency within an assisted country; this could be a significant indirect cost. Third, a violent event might depress economic activity; this could be a significant indirect cost.

4. IRSS's Proposed Process for Assembling Evidence About Preventive Actions

A variety of information relevant to preventive actions, their benefits, and their costs is currently available. Detailed case studies have been done or are in progress. However, the information exists in incompatible and often inaccessible forms, ranging from personal anecdotes to lengthy reports. There are few systematic analyses of the benefits and costs of preventive actions.

⁶ Probabilities are relevant for two reasons. First, the significance of an avoided cost is related to the probability that the cost will be incurred. Second, the benefit provided by a preventive action is related to the probability that the action will actually prevent the feared violence. In both cases, probability is difficult to assess. Numerical estimates are unlikely to be accurate, and qualitative estimates may be preferred.

IRSS believes that a systematic body of evidence, prepared according to a common format, is needed. This evidence can serve two important purposes. First, it can improve the practice of preventive diplomacy. Second, it can help to persuade citizens and policymakers that resources should be allocated to preventive diplomacy and that preventive actions should be taken when appropriate.

In choosing the phrase "assembling evidence", IRSS seeks to be clear that we are not proposing a grand theoretical framework for evaluating preventive actions or for assessing their benefits and costs. Instead, we expect the "evidence" about preventive actions to be diverse in nature. This evidence may be circumstantial, anecdotal, incomplete or inconsistent. Much of it will be qualitative rather than quantitative. We propose that the evidence should be "assembled" systematically, so that an interested person may review it and draw their own conclusions.

To help build a systematic body of evidence, IRSS has proposed to convene an ongoing series of seminars, probably a two-hour event once per month. Each seminar will feature the presentation and critique of a case study, always with a focus on benefits and costs. Presentations will employ a common format. A case study may cover an actual conflict or one that has been prevented.⁷ Alternatively, a case study might examine a class of situations. Presentations will be made by staff from NGOs, government agencies, and research institutions. Written forms of the presentations will be archived and made accessible electronically. IRSS will periodically compile and analyze information from the accumulating archive.

To begin the process, IRSS will develop an initial presentation format, drawing upon advice from the preventive diplomacy community. The format will not be a strait jacket. It will set out categories of information which a presenter is asked to provide. It will help to structure presentations, so that actual events, hypotheses and speculations can all be discussed without confusing the listener. It will provide linkages to related information (e.g., ongoing work, other studies, material that is too complex for a brief presentation).

Over time, the format will evolve, to reflect the feedback received at the seminars. If it proves useful, the evolving format may also be taken up by people who do not attend the seminars. Electronic networking allows the rapid propagation of information structures which people find useful. Eventually, standardized information formats will emerge, whether from this endeavor or from others. These standardized formats will reflect any development of

⁷ It will be important to accumulate evidence about the costs of actual conflicts, for two reasons. First, this evidence will provide a basis for estimation of the avoided costs associated with prevented conflicts. Second, this evidence will help to guide assessments of the degree to which preventive actions have been effective.

consensus-based methodologies for benefit-cost assessment. Detailed case studies conducted under a variety of auspices will be crucial to the development of these methodologies.

5. Workshop Discussion

Discussion at the March 1995 workshop addressed two major themes. First, it addressed the needs and opportunities for assembling evidence on the benefits and costs of preventive actions. Second, it addressed the merit of the particular process that IRSS has proposed.

Needs and Opportunities for Assembling Evidence

On the first discussion theme, there was broad agreement that evidence on benefits and costs can and should be assembled. This type of evidence was regarded as useful for operational or research purposes, and for building public support for conflict prevention.

While generally supporting that view, many participants pointed out the difficulty of proving that a crisis or violent conflict could be prevented or had been prevented in a particular situation. In principle, worldwide experience involving many situations could establish correlations between the use of preventive actions and the presence or absence of conflict. From these correlations, inferences could be drawn about the effectiveness of preventive actions in particular situations. In practice, however, there is often a lack of monitored indicators that could be used to establish these correlations.⁸ Moreover, particular situations are often complex, with multiple causative factors and multiple interventive actions. Judgement must be exercised in assessing the effectiveness of preventive actions, and there will often be differing opinions.

A concern was expressed that our inability in many cases to prove that a conflict had been averted might undermine public support and funding for preventive actions. Countervailing arguments were offered. First, the funds required for preventive actions are often comparatively modest. Second, vast amounts of money have been spent on international security initiatives (e.g., nuclear deterrence) whose effectiveness cannot be conclusively proven. Third, the financial and human costs associated with violent conflicts that have occurred recently (Bosnia, Rwanda, etc.) are often very high; this means that a preventive action may be a good investment even though the degree of its effectiveness cannot be proven. The general conclusion was that preventive actions can be highly cost-effective, and that a systematic body of evidence could help to convince the public and decision-makers of this.

⁸ Across the field of preventive diplomacy, there is a need for the more systematic capture and exchange of knowledge on conflict interventions and early warning. IRSS is conducting a project to promote such knowledge exchange, with a current focus on the OSCE region.

One participant argued that the material to be assembled is not strictly evidence but, instead, interpretations of evidence. Without necessarily accepting that point, participants agreed that a systematic body of evidence must include, if it is to be credible and useful, a wide range of perspectives and interpretations.

The Proposed Process for Assembling Evidence

On the second discussion theme, it was generally agreed that IRSS has proposed a feasible and useful process for assembling evidence. Many of the workshop participants indicated that they would like to be involved in an ongoing series of seminars. Other people, who could not attend the workshop, have indicated likewise. Several workshop participants have offered to develop case studies for presentation at a seminar.

A number of constructive, practical suggestions were made. These include:

- (a) Case studies can be controversial, especially when failure is alleged. Thus, the seminars should be carefully facilitated, to ensure a constructive atmosphere in which honest appraisal is promoted.
- (b) Some case studies should focus on the costs of crises and violent conflicts that have not been avoided. Information on these costs is incontrovertible and compelling.
- (c) Case studies should focus on the post-Cold War period. Information on these cases is most relevant to current needs.
- (d) Africa should be a focus of attention in the seminars.
- (e) The seminars should be used to critique case studies that are in draft form. The seminar participants should provide a diversity of perspectives, to ensure an effective critique.
- (f) The seminars can provide an important networking function for practitioners in this field.
- (g) Electronic information management can serve a networking function as well as an information retrieval function.
- (h) The case study format, and the electronic archive based on that format, should be developed incrementally. This will help to ensure that they meet user needs.

Upon consideration of these suggestions, and after discussions with some of the workshop participants, IRSS concludes that the appropriate next step is to convene an initial six-month series of monthly seminars. Subject to IRSS obtaining the necessary funding, these seminars will be held in Washington, DC, beginning as soon as possible. IRSS will arrange a private electronic mail channel for seminar participants, and an electronic dissemination mechanism (a gopher server) for completed case study reports.

Toward the end of this six-month period, IRSS will review progress, solicit opinions from seminar participants and information users, and plan subsequent activities accordingly. If the demand exists and funding is available, these subsequent activities will include the development and operation of a more sophisticated electronic information capability, including an Internet-accessible relational database.

6. Conclusions

From recent interviews, and from the views expressed by participants in a March 1995 workshop, IRSS concludes that evidence can and should be assembled to show the benefits and costs of preventive action (preventive diplomacy). A useful process for assembling such evidence will be to arrange presentations and critiques of case studies at a series of seminars, with wide dissemination of completed case study reports. Subject to funding, IRSS will convene such a process soon. Case study presentations will be sought from NGOs, government agencies, and research institutions. A standardized format will be developed for the presentations.

7. Workshop Participants

Following is a list of people who attended a workshop held at the Winston Foundation for World Peace on 31 March 1995. The workshop was held to obtain advice on the theme of this report, but none of the attendees, other than the author, bears any responsibility for the contents of this report. Attendees' organizational affiliations are shown for identification purposes, but this listing does not necessarily imply that these organizations endorse the recommendations made here. The attendees were:

Russell Bikoff
US Information Agency

Katherine Blakeslee
US Agency for International Development

Jane Burt-Lynn
US Department of State

Toni Christiansen-Wagner
US Agency for International Development

Susan Collin Marks
US Institute of Peace

Shirley Cooks
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Jonathan Dean
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Gene Dewey
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