From the Ground Up

A Preliminary Dialogue on the Nexus of Economic Policy, Gender and Violent Extremism

A Brief on Policy and Practice to Inform National Strategies for Preventing Violent Extremism and Promoting Sustainable Peace

ICAN
International Civil Society Action Network
For women’s rights, peace and security
From the Ground Up

A Preliminary Dialogue on the Nexus of Economic Policy, Gender and Violent Extremism

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In 2016, the International Civil Society Action Network (ICAN) began exploring the nexus of economic policy, gender and extremism in collaboration with the United Nations Development Programme (UNDP) and the Center for Women’s Global Leadership at Rutgers, The State University of New Jersey. Women peace practitioners and rights activists have long been concerned by decisions made at global and national levels that at the local level impact dynamics of economic exclusion, threaten social cohesion and exacerbate vulnerabilities to radicalization. Violent extremism and state responses to it place significant economic burden on societies. In Pakistan, for example, it is estimated that the Pakistan estimates that the direct and indirect cost of the “War on Terror” between 2002 and 2016 was $118 billion.\(^1\) The members of the Women’s Alliance for Security Leadership (WASL) have consistently draw attention to this gap between policy intentions and realities on the ground. Their lived experiences of the economic dynamics in contexts affected by violent extremism, combined with desk research on the state of current policy and practice, and the multi-stakeholder Global Solutions Exchange (GSX)\(^2\) meeting on these issues held at the UNDP headquarters in New York in March 2017\(^3\) inform the findings of this report.

Executive Summary

In 2016, the International Civil Society Action Network (ICAN) began exploring the nexus of economic policy, gender and extremism in collaboration with the United Nations Development Programme (UNDP) and the Center for Women’s Global Leadership at Rutgers, The State University of New Jersey. Women peace practitioners and rights activists have long been concerned by decisions made at global and national levels that at the local level impact dynamics of economic exclusion, threaten social cohesion and exacerbate vulnerabilities to radicalization. Violent extremism and state responses to it place significant economic burden on societies. In Pakistan, for example, it is estimated that the Pakistan estimates that the direct and indirect cost of the “War on Terror” between 2002 and 2016 was $118 billion.\(^1\) The members of the Women’s Alliance for Security Leadership (WASL) have consistently draw attention to this gap between policy intentions and realities on the ground. Their lived experiences of the economic dynamics in contexts affected by violent extremism, combined with desk research on the state of current policy and practice, and the multi-stakeholder Global Solutions Exchange (GSX)\(^2\) meeting on these issues held at the UNDP headquarters in New York in March 2017\(^3\) , inform the findings of this report.

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\(^2\) The Global Solutions Exchange (GSX) is a mechanism for regular high-level civil society-government dialogue on issues related to preventing extremism first launched by ICAN and WASL with the support of the Prime Minister of Norway in September 2016 at the United Nations, now expanded to a steering committee of 6 organizations. For more information, see: http://www.icanpeacework.org/our-work/global-solutions-exchange/.

\(^3\) The GSX working group meeting on “The Nexus of Economic Policies, Gender and Extremism” was co-convened by ICAN and UNDP during the sixty-first session of the Commission on the Status of Women and funded by the U.K. Foreign and Commonwealth Office.
Our Approach to PVE

In spearheading the Women’s Alliance for Security Leadership (WASL), the International Civil Society Action Network (ICAN) is committed to ensuring that the perspectives, experience and pioneering work of locally rooted women-led organizations active in preventing violent extremism by promoting peace and pluralism are heard and heeded in global settings. As a co-founder of the Global Solutions Exchange (GSX) we are also committed to enabling systematic multi-sectoral exchanges between women, youth practitioners, scholars and policy makers across countries to highlight alternative perspectives on aspects of PVE. Sometimes these exchanges are provocative as comfort zones and conventional wisdoms are challenged. Always they are productive as they inform our collective understanding of extremist violence and serve to improve our responses in policy and practice.
Key Findings

1. Existing policies on the prevention of violent extremism (PVE) acknowledge the need to address economic factors, but limited attention is directed at the underlying structural economic policies that have contributed to creating many of the conditions conducive to rising extremism.

2. While a minority of people become violent, economic conditions pertaining to social exclusion and thwarted aspirations are recognized as contributing factors to their radicalization.

3. Neoliberalism espouses “small government”. Over the past five decades, in many countries governments have been pressured to reduce spending on, deregulate or privatize many social services that were previously considered to be the state’s responsibility due to the dominance of this economic philosophy.

4. The lack of investment in key sectors such as education, health and community security has created vacuums that non-state actors have filled.

5. By providing necessary social services non-state actors also gain the trust of local communities which can be used to spread ideologies that promote intolerance, bigotry, discrimination and violence.

6. Increased insecurity from violent extremism and increased resource allocation for militarized state responses have damaged local economies, shrinking incomes, and forcing displacement while reducing investment in infrastructure and services in communities that are most at risk.
7. The dismantling of regulations has benefitted the financial sector enabling the sector to takeover manufacturing companies and strip them of assets to make quick profits rather than investing in labor, production or infrastructure. This has contributed to inequality, unemployment and the fraying of the social fabric of communities.

8. Economic austerity is combining with mass labor migration to create new patterns of racism and xenophobia. These impacts are gendered, for example extremists are exploiting the isolation and vulnerability of female migrant workers and the sense of exclusion of the young men left behind.

9. A number of economists are advancing a human rights approach to economic policies, making the case that they should be designed and assessed on their contributions to realizing the economic and social rights of every person.

10. Pragmatism not ideology should be the driving force so that state and private sector can cooperate to provide necessary services to the public, and be held accountable for their equal accessibility, quality and cost.

11. Multi-stakeholder dialogues that bring peace and PVE practitioners working at community levels together with economist and international policymakers are necessary to gain a better understanding of whether and how economic policies affect communities adversely to exacerbate conditions conducive to violent extremism.
Guidance for Policymaking, Programming, and Research

This guidance emerges from the analysis and extensive consultations undertaken with practitioners active in PVE and peacebuilding, economists and policy experts. They are divided into three operational areas that are relevant for informing national policies, action plans, and strategies for preventing violent extremism, including by promoting sustainable peace: policy priorities, technical and programmatic actions, and research considerations. The considerations outlined below serve as guidance for all stakeholders involved and interested in addressing the role of economic policies as they relate to enabling and preventing violent extremism, and fostering sustainable peace, equality, pluralism and, dignified livelihoods for all.
Policy Considerations

1. Reaffirm commitments to the social and economic rights articulated in existing international conventions and the Sustainable Development Goals (SDGs).

2. Encourage and support more multi-stakeholder interactions on the linkages between economic policies, violent extremism and gender dynamics in international and national contexts.

3. Initiate processes in parliament, media, and policy settings to encourage ‘democratizing’ national discussions and decision-making on economic policies through for example, participatory and gender budgeting processes.

4. Engage with movements for tax justice, maximum wage, universal basic income and other transformative economic policy initiatives to better assess the options for each country.

5. In PVE national plan and strategy development, conduct in-depth analysis of the structural economic conditions that have contributed to lack of employment or livelihood opportunities, and to help identify gaps and possible solutions through alternative policymaking.
Programming and Technical Considerations

1. Include national and international economists with expertise in gender and human rights in PVE related strategy and action planning processes.

2. Assess social welfare needs and strengthen state institutions responsible for service delivery including by increasing wages and skills building and investing in infrastructure to make services accessible in the most vulnerable communities.

3. Reduce corruption and absenteeism (and other potential causes for lack of quality services) by ensuring fair pay and working conditions, offering incentives for quality services, showing respect for public service, and instilling strong accountability measures for transgressions.

4. Conduct economic and budgetary audits to highlight where resources are being allocated and gaps that exist, particularly in relation to military spending versus education, health and other human security priorities.

5. Recognize and support (including through national or local convenings) existing civil society organizations (CSOs), particularly women and youth entities that provide services and have expertise in PVE related areas, and ensure they have adequate financial and technical aid to continue their efforts, particularly where the state has limited reach.

6. Initiate public education programs to raise awareness about states’ obligations to social and economic rights as articulated in international human rights framework and the SDGs, and enable transparency and accountability.
Research Considerations

1. Support qualitative and quantitative multi-country research on the role and relationship between economic conditions and extremism, with attention to the gender dimensions.

2. Support research and analysis of the cost of military and security oriented interventions to counter violent extremism, the impact on GDP, social capital and economic opportunities and alternative solutions to mitigate the harm done by such interventions.

3. Support simulations or other means to determine potential scenarios if a human rights based economic policy framework is established in different contexts.

4. Ensure that the dialogues between grassroots practitioners, international policy makers and scholars, notably economists and other social scientists, continue to inform future research and documentation.
Introduction

“We are living in a dangerous world.” So said UN Secretary General Guterres at the Munich Security Council in February 2017, as he called for a surge in “diplomacy for peace” at a time when conflicts are increasingly more complex, authoritarianism is spreading and violent identity-based extremism and terrorism are on the rise. In recent years, the use of these forms of violence has steadily become more prevalent, increasing exponentially since 2011. In 2015, some 120 countries were directly affected by violent extremism. While much of the international media focus has been on groups claiming the mantle of Islam, such as Al Shabab in Somalia, Boko Haram in Nigeria and Daesh in Syria and Iraq, other identity-based movements with an exclusionary and extremist ideology have emerged in many contexts. In Canada and the United States, studies suggest that the white-supremacist militias pose the greatest security threats. In the US alone, the number of known white supremacist militias has grown from 42 in 2008 to 822 in 2015 and 917 by 2016 according to the Southern Poverty Law Center. Meanwhile, in Myanmar, Sri Lanka, and Thailand militant Buddhist movements are gaining ground, and in India extreme right-wing Hindu movements are more evident in the political and public arena.

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3 Max Roser and Mohamed Nagdy, “Terrorism”, Published online at OurWorldInData.org, available at: https://ourworldindata.org/terrorism/.
These movements may seem different, but their ideologies often mirror each other. They are based on exclusionary notions of identity, pressing people to choose one identity over others: for example, religion over ethnicity or race. They have prescribed notions of masculinity and femininity. This translates into how men and women are perceived, treated and expected to behave to fulfill their social roles. They often project blame and hold grievances against “the other”—be it on a communal or personal level. For example, white supremacists may amplify the notion that their economic and social exclusion is due to the influx of immigrants, while Islamist extremists may link their own exclusion and sense of discrimination in Europe to the plight of Syria or other countries they see as under attack from “western”, non-Muslim majority states. In many instances victimhood, loss of status, or humiliation is reacted to with a sense of righteousness that condones and can validate violent actions against the other. All extremist movements simultaneously exclude those who do not espouse the same values and beliefs, while lifting themselves above others. In doing so they also dehumanize those they seek to marginalize, setting the stage for a tolerance and normalization of violence.

As a growing body of research and analysis indicates, there are no single causes of violent extremism. Rather in each context and often changing through time, different variables pertaining to governance, security, social and economic conditions combine to become driving factors.

In terms of responses or prevention of violent extremism (PVE), there has been significant attention given to governance and

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9 ICAN’s approach to these issues is grounded in the lived experience of activists and practitioners, particularly women, in contexts affected by violent conflict and extremism. They consistently assert the importance of addressing identity-based extremism in society, as an enabling environment for radicalization to violence. Thus, it is vital to problematize our definitions of violence, and consider interpersonal (particularly sexual and gender-based) and structural violence as relevant to our understandings of and interventions to prevent violent extremism. For a comprehensive discussion of the concepts and their relationships to each other see: Australian Government, Preventing violent extremism and radicalization in Australia, 2015, available at: https://www.livingsafetoegether.gov.au/informationadvice/Documents/preventing-violent-extremism-and-radicalisation-in-australia.pdf.
security issues, along with socio-cultural issues related to religious ideologies and literacy. Less focus has been devoted to the nexus of economics and rising extremism. Of the work that exists none definitely suggest that economic dimensions alone are a driver of violent extremism. Nonetheless there are clear economic factors at play. For example, UNDP’s report, *Preventing Violent Extremism through Promoting Inclusive Development, Tolerance and Respect for Diversity*\(^\text{10}\) identifies limited opportunities for upward mobility and inequality as two of the drivers that can lead to radical behavior and result in violent extremist action. It echoes Corinne Graff’s *Poverty, Development and Violent Extremism in Weak States*, a 2010 Brookings Institution report that documents the levels of education and employment of perpetrators of extremist violence and notes “One would be hard-pressed to name a single major recent attack in the developing world in which household poverty, lack of employment opportunity, or lack of state capacity did not play some role.”\(^\text{11}\)

Similarly, practitioners and activists engaged in PVE efforts in the most effected countries see the local level impact of economic and financial policies as contributing to the conditions that enable the rise of violent extremism.\(^\text{12}\) As members of the global Women’s Alliance for Security Leadership (WaSL) asserted in the network’s 2015 founding document:

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\(^\text{12}\) Ibid
“Through experience, we know that these problems are also exacerbated by decades of economic austerity programs that have shredded welfare programs for the majority while benefitting a small minority… Existing international policies are inadequate for preventing extremism. Economic sanctions and weapons sales exacerbate the suffering of many while often benefiting those promoting extremism. Governments spend billions on bombs and drones, knowing that military solutions alone provide no solution. Yet when citizens seek funds for schools, economic development, or humanitarian aid, leaders claim they cannot afford it.”

The Policy Context

Many of these issues—particularly as they relate to local level contexts pertaining to livelihoods and youth employment—are reflected in UN policy directives and national strategies on the prevention of violent extremism (PVE). But current policy frameworks and ongoing debates have not paid attention to the underlying economic philosophies that have shaped international economic development and national level policies, and their potential relevance to the rise of violent extremism. Equally absent, outside of resolutions from the Women, Peace and Security agenda, is a gender framing, which is crucial for revealing and understanding the relationship between economic policies, their differential impact on men and women and their resultant vulnerability to extremist ideology and radicalization.

As a result, many of the proposed responses to date (see box on pages) are largely project-based rather than institutional or structural, or they highlight the problems of economic marginalization in general but offer few concrete solutions. For example, youth social entrepreneurship projects, vocational and
digital technology trainings have been recommended as PVE specific programs to address economic push factors. The positive impact of these initiatives should not be discounted, but focusing exclusively on communities and individuals is insufficient, given that it is nearly impossible to predict who, among those subject to the same conditions of vulnerability, will turn to violence and who will remain peaceful. Moreover, in any society, if the underlying structural factors remain unaddressed, the pool of potential recruits will be replenished, no matter how many individuals are engaged in skills or job based resilience or rehabilitation programs. To date, macro-economic policy has not been examined by PVE experts as potential contributor to the conditions conducive to violent extremism and terrorism, or as a tool for the development of solutions. In their work to bring together economists and human rights advocates, economist Radhika Balakrishnan and her colleagues explain:

“The concept of the macro-economy is a way of talking about the entire workings of the national economy. Macro-economic policies affect the operation of the economy as a whole, shaping the availability and the distribution of resources.”

Attention to the linkages between and impact of macro-economic policies and violent extremism, is thus critical.


# Locating Economics in the Existing PVE Policy Framework

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<td>National Action Plans to Prevent Violent Extremism (NAPs)16 (2016)</td>
<td>“Adverse socioeconomic conditions create high levels of frustration and a sense of powerlessness — ideal conditions for persuading groups and individuals to embrace violent extremism and to oppose the political, social and legal status quo.” (Kenya NAP, p. 23)</td>
<td>Economic concepts in NAPs are referenced mostly in the context of a discussion of micro-level drivers of extremism. Equally, solutions to economic issues center around increasing the breadth of economic incentives available to youth.</td>
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<td>“Education and employment promote citizenship and provide the best protection against young people being lured by extremist messages.” (Denmark NAP, p. 3)</td>
<td>Gender and gender equality concepts are sparsely mentioned: of the eight NAPs reviewed, only three reference gender and only one (Switzerland) recommends specific actions to encourage gender mainstreaming and references the women, peace and security framework.</td>
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<td>“We need to do more to engage the business community and others in the private sector more actively, not only for the financial resources but also for the innovation, talent, skills and competences that can help us generate legitimate commerce that provides economic opportunity and a prosperous future.” (Somalia NAP, p. 14)</td>
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| UN Secretary-General’s Plan of Action to Prevent Violent Extremism (2015)\(^\text{17}\) | “Encourage individuals to leave violent extremist groups by developing programs that place an emphasis on providing them with educational and economic opportunities.” (p. 4)  
“Collaborate with local authorities to create social and economic opportunities” (p. 6)  
“To transform our commitment into lasting change, we need to make more efficient use of existing funds and consider how, based on the interdependence of political, social and economic drivers of violent extremism, we can create synergies in our resource allocation” (p.8) | The Secretary General’s PVE Action Plan and the accompanying GA resolution focus their economic discussion largely at the micro level, proposing the development of programs that create individual economic opportunities.  
The Plan of Action acknowledges the need for resource allocation that creates synergies and recognizes the interdependence of complex political, social and economic factors. However, it does not suggest a specific approach to generate synergy beyond identifying existing funding that might be adapted to include extremism. |

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<td>UN Security Council Resolution 2242 (2015)(^{18})</td>
<td>“Calls upon Member States (…) to take into consideration the specific impact of conflict and post-conflict environments on women’s and girls’ security, mobility, education, economic activity and opportunities, to mitigate the risk of women from becoming active players in the illicit transfer of small arms and light weapons” (OP 15). “Urges Member States and requests relevant United Nations entities, including CTED within its existing mandate and in collaboration with UN-Women, to conduct and gather gender-sensitive research and data collection on the drivers of radicalization for women” (OP 12).</td>
<td>UNSCR 2242 is a key instrument recognizing the differential impact of violent extremism on women and men. It calls for all PVE efforts to integrate women’s participation, leadership and empowerment. The resolution does not, however, discuss macro-economic factors and their gendered impact, focusing instead on women’s empowerment, SGBV and the role of women in small arms and light weapons transport. It does not mention women’s employment as an issue of concern.</td>
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<td><strong>UN Security Council Resolution 2250 on Youth, Peace and Security (2015)</strong>&lt;sup&gt;19&lt;/sup&gt;</td>
<td>“Highlighting in this regard the importance of identifying and addressing social, economic, political, cultural and religious exclusion, intolerance, as well as violent extremism, which can be conducive to terrorism, as drivers of conflict” (PPs).</td>
<td>UNSCR 2250 uses the language of “economic exclusion” to describe drivers of extremism and conflict. The resolution stresses the need to create policies for youth that would contribute to social and economic development, but does not detail the content of such policies beyond micro-level activities to grow local economies, provide employment, and promote entrepreneurship. It does, however, call for “inclusive labor policies” (OP 17).</td>
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<td>“Stresses the importance of creating policies for youth that would positively contribute to peacebuilding efforts, including social and economic development, supporting projects designed to grow local economies, and provide youth employment opportunities and vocational training, fostering their education, and promoting youth entrepreneurship and constructive political engagement” (OP 11).</td>
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To pursue and reinforce development and social inclusion agendas at every level as goals in themselves, recognizing that success in this area, especially on youth unemployment, could reduce marginalization and the subsequent sense of victimization that propels extremism and the recruitment of terrorists.” (2006)

“Most new recruits are now from 17 to 27 years of age, with differing levels of education and social and economic backgrounds. This has made the task of understanding and countering the appeal of terrorism all the more difficult, and the international community has found it hard to respond effectively.” (2016 SG review, para. 14)

“The failure to meet governance challenges; slow socioeconomic development and the entrenchment of marginalization and exclusion in some societies; and rising inequality between and within States” (2016 SG review, para. 5)

The UN Global Counter-Terrorism strategy, an early articulation of member states’ strategy to combat extremism, notes “socio-economic marginalization” as one of the conditions conducive to terrorism. The document highlights sustained economic growth, social development and the reduction of youth unemployment as potential remedies but does not propose a specific strategy for accomplishing these goals.

The strategy is reviewed by the GA every five years. The 2016 review noted the difficulty of understanding and responding to terrorism and rejected the notion that low socioeconomic development is the only driver of youth radicalization. It recognizes that rising inequality between and within states is a root cause of extremism. The review also specifically calls for member states to acknowledge the “the important role and needs of women and girls” (para. 31), but does not specify what these roles or needs are.

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In 2015, ICaN and its partners in WASL initiated preliminary dialogues between macroeconomists, security and gender scholars together with experienced practitioners and policymakers to explore the nexus of economics, gender and violent extremism. Our approach was to work from the ground up, as reflected in the report’s title. We recognized that as practitioners with expertise in law, anthropology, and security issues, we were witnessing the impact of long standing economic policies but we needed to engage with trained economists to help inform and guide these discussions. They in turn recognized that the multi-disciplinary, multi-sectoral and cross-regional experiences and the empirical evidence being brought forth offered new ways to understand the implications of economic policies on the lives of people.

This report draws on the collective knowledge and analysis of the discussants to encourage a reframing of current thinking on these issues, particularly in the context of PVE policymaking and programming. It also seeks to draw greater attention to alternative economic approaches to addressing the problems associated with socio-economic exclusion that are among the driving forces of rising extremism.

This report is divided into two main sections and series of recommended actions for consideration by policy makers and practitioners:

- **Part I** provides an analysis of the relevance of economics to extremism, and offers insight, using gender analysis to case examples and sectoral analysis, on the ways that globally dominant economic philosophy (notably

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21 Gender analysis refers to the variety of methods used to understand the relationships between men and women, their access to resources, their activities, and the constraints they face relative to each other. Gender analysis provides information that recognizes that gender, and its relationship with race, ethnicity, culture, class, age, disability, and/or other status, is important in understanding the different patterns of involvement, behavior and activities that women and men have in economic, social and legal structures. See: Government of Canada. Gender Analysis. Global Affairs Canada. 2016. Available at: http://www.international.gc.ca/development-developpement/priorities-priorites/ge-es/gender_analysis-analyse_comparative.aspx?lang=eng.
neoliberalism) and related fiscal and economic policies (e.g. austerity), have contributed to creating conditions that increase people’s vulnerability to radicalization, with attention to three vital sectors: education, health and security.

- **Part II** presents an alternative approach to macroeconomic policy that can inform the policy and practitioner communities as they develop national strategies to prevent violent extremism by enabling them to reframe the discussion on economic and fiscal policies to support societal resilience to radicalization and reduce the grievances exploited by recruiters and extremist movements.

**Methodology**

Building on desk research and a preliminary survey of key informants on the state of current policy and practice around extremism, economics and gender, ICaN convened relevant scholars and experts for a series of consultations during which further key informant interviews and focus group discussions were conducted to highlight trends and good practices using comparative analysis.

1. In September 2016, ICaN convened a preliminary expert brainstorming meeting bringing together experts in economics, political economy, international security, human rights and gender with members of the Women’s Alliance for Security Leadership (WASL) to review ICAN’s conceptual approach to the topic and analyze case examples of the dynamic link between violent extremism and economics with a gender lens.22
2. In March 2017, the first draft of this report was shared and the issues further explored by WASL members, other civil society actors, economists and policy experts, UN and governmental policymakers at the first Global Solutions Exchange (GSX) experts meeting on the nexus of economic policy, gender and extremism held at the UNDP headquarters in New York. The discussions were expanded to include elected officials at a panel co-hosted by the Interparliamentary Union (IPU), the Permanent Mission of Denmark, UNDP and ICAN at the 61st session of the UN Commission on the Status of Women (CSW).

In line with the goal of the Global Solutions Exchange (GSX), these consultative meetings were designed to facilitate open and horizontal exchange of analysis, perspectives, and experience among diverse stakeholders from different sectors and geographic contexts. The GSX platform seeks to build trust and generate sustainable solutions by designing and facilitating dialogues between civil society and government actors on preventing and countering violent extremism (P/CVE). ICAN aims to elevate the perspectives and expertise of independent women-led CSOs active in peace, security and PVE related effort and ensure robust gendered analysis of the issues and contexts being addressed to inform subsequent policies and programs.

The consultations culminating in this report, engaged 34 participants working in 14 countries across Africa, Asia, Europe, the Middle East, and North America. Of these, 27 were women and 7 were men. They included 8 policymakers, representing 5 governments and the United Nations Development Programme (UNDP); 8 academics and experts in economic policy (from 6 universities and 2 organizations) and 18 peace and rights practitioners and activists representing more than 18 different
organizations, associations, networks and independent initiatives. The vast majority of practitioners work at the local or national level in countries affected by violent conflict, insecurity and/or political repression, including those countries most affected by violent extremism and/or terrorism. The synthesis report was further shared widely for input from international and national level security, PVE and development practitioners and academics.

To protect participants’ personal security and promote honest exchange, consultations were conducted under the Chatham House rule and any personal or organizational attribution in this report is by specific consent. The first expert brainstorming meeting was conducted in English and Arabic through simultaneous interpretation and documented in English. The second round of consultation during the GSX expert meeting was conducted solely in English. No compensation was provided to participants.
Part I: Economics And Extremism: How Does Current Research And Data Problematize The Linkages?

It is no secret that inequality in resource distribution has reached extreme levels: in January 2017, Oxfam estimated that just eight men globally own the same wealth as the poorest 3.6 billion people.\(^{23}\) In the United States, the top 0.01% own as much wealth as the bottom 90% of the population combined. The current research landscape rejects a linear relationship between specific microeconomic dynamics, such as joblessness, and extremism or radicalization. Academic studies have not found any conclusive links between employment and income and support for militant groups\(^{24}\), nor come to a consensus on the relationship between educational attainment and violent extremism\(^{25}\).

This ambiguity is for good reason: is a complex and fast changing terrain. As noted above the 2010 Brookings Institution study found that low income and education were prevalent factors in the majority of attacks in the developing world.\(^{26}\) But this does not imply that the majority of people—including young men—who are poor or lack education are candidates for violent extremism. By the same token even in the case of the September 11, 2001 attacks in the United States, the profile of the men involved did not suggest abject poverty. Many of them were educated and from middle class

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\(^{26}\) Corinne Graff, Poverty, Development and Violent Extremism in Weak States, 2010.
families. This was also true for the young Bangladeshis who attacked a café in Dakar in 2016; they were from “well-to-do” families.27

Nonetheless there is also growing evidence in wealthier countries of the linkages between rising inequality and growing ethno-national populist movements whose discourses direct public ire onto minority populations and propagate messages of protectionism and xenophobia.28 Moreover since the 2008 financial crisis, the impact of decades of neoliberal economic policy—and its unfulfilled promises that market deregulation and free trade would meet the social needs of everyone—has come under increasing scrutiny. Even the International Monetary Fund (IMF) a champion of neoliberal economic philosophy is echoing the critics.29

Meanwhile in developing countries that are already affected by fragility and crisis, there is increasing evidence that while there is no single economic condition that creates vulnerability to radicalization,30 there are a complex, interconnected and dynamic web of factors, many of which are related to the entrenched impact of neoliberalism and related economic and fiscal policies. A 2017 paper published by the Brooking Institute finds that Arab youth who are educated but find themselves un- or under-employed are more susceptible to radicalization. Calling for a consideration of broader economic dynamics and policies the paper concludes that:

“The problem is not only with education, or the supply of labor. There is also a serious problem with the demand for labor

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(…) policies in many Arab countries have been captured by a few politically connected firms. Hence, they create privileges rather than an open and transparent business environment that encourages private sector growth and job creation.\(^{31}\)

Similarly, a forthcoming UNDP report on masculinities and violence in crisis settings finds that men—in particular the young—frequently turn to violence in crisis contexts as the result of a complex interplay of factors including marginalization, blocked participation, insecurity and group identity.

The report also finds that many of the economic development approaches of recent decades that were in principle meant to benefit the poor and vulnerable, have not reached many of the men or women in those communities. While the majority of people strive to have productive lives regardless of the obstacles they face and the lack of state support, there is always a minority that remains at risk to recruitment into radical groups, militias, gangs and other violent movements offering them income, belonging, protection and a sense of life purpose. In other words, they address basic needs, acknowledge grievances and tap into thwarted aspirations.

Additionally, the violent movements are often filling the social and security vacuums left as a result of the state’s cutbacks on social service spending which, as discussed below, are related to the dominant influence of neoliberal economic philosophy on international, national and local economic policies.

The Role and Relevance of Neoliberal Economic Policies: A Brief Overview

Since the 1980s, neoliberalism has dominated the realm of global macroeconomic policy, applied to both industrial and developing

\(^{31}\) Ibid (p. 10)
country contexts. Initially coined in 1938 and quietly but deliberately incubated over the subsequent decades, it emerged in the 1970s to respond to economic decline as the post-war boom began to fade.\textsuperscript{32} The basic tenets of neoliberal economic policy are deregulation—or what some economists refer to as “profit-led regulation”, liberalization of markets with a preference for the private sector, a focus on increasing international trade and a decreased role for the state in service provision or employment.\textsuperscript{33}

Neoliberalism is predicated on the notion of “small government” in particular the social welfare role of the state, and espouses that states scale down their provision of social resources. Acting on the assumption that the private sector is more efficient than the public, in many countries governments were pressured to reduce funding, deregulate or privatize many services that were previously considered to be the state’s responsibility. But, says economist Radhika Balakrishnan, “Deregulation is actually a form of re-regulation.” Through deregulation the rules are changed to benefit and regulate in favor of some actors over others, namely the interests of business owners and investors over those of workers and communities.

The dismantling of regulations has benefitted the financial sector significantly, enabling it to expand and wield influence on new levels. Reflecting on the US economy in 2015, analyst Mike Collins\textsuperscript{34} notes that between 1970 and 2010 the finance sector employment and sales grew from 10% to represent 20% of GDP, while the manufacturing industry fell from contributing to 30% of GDP in 1950 to only 10% in 2010. “The emphasis”, writes Collins, “was no longer on making things—it was making money from

\begin{itemize}
\item \textsuperscript{32} George Monbiot, “Neoliberalism—the ideology at the root of all our problems,” The Guardian, 2016, 15.04, available at: https://www.theguardian.com/books/2016/apr/15/neoliberalism-ideology-problem-george-monbiot.
\end{itemize}
money.”  

It is most evident in dramatic change in the role of Wall Street corporations in the economy. In 1982 Wall Street profits represented less than 10% of corporate profits. By 2003 they were 40% of all corporate profits.

This “financialization” of the economy is a key contributor to rising inequality, as the financial industry looks to make quick profits from financial products rather than investing in production and infrastructure. The stripping down of manufacturing began in the 1980s with the rise of ‘corporate raiders. Collins writes:

“Corporate raiders contributed to inequality as they dismembered firms, laid off workers, auctioned off the assets and destroyed entire communities to reap huge rewards for a few stake holders. If the company had a chance to survive, raiders would demand wage concessions, eliminate collective bargaining agreements, dissolve pension agreements, and sometimes the company would be driven into bankruptcy despite the concessions.

The corporate raider approach to making huge returns in a short period of time was very popular with the wealthy and was viewed as necessary part of free market capitalism (the elimination of the weak). However some economists believe that every point gained in financialization leads to deeper inequality, slower growth and higher unemployment.”

Further, since private actors—unlike the government—are not directly accountable to the public, they have fewer incentives to consider the social value created through human development and improvements in quality of life. Here again the dominance of the financial sector in the economies of western and developing countries has impact, as there is less money available for governments to invest in physical infrastructure and related jobs.

36 Ibid
As Collins notes in the U.S. an estimated $3.6 trillion is need to repair roads, bridges, water, electricity and sewage systems, not to mention education and health infrastructure. But these sectors do not provide short term gains. Similarly, government investment in research and development is at its lowest point in seventy years, and the private sector is unable and unwilling to close that gap.37

With an overview of four key sectors: education, health, security and labor, the discussion below reflects on how the withdrawal of governments from the provision of social welfare—particularly in developing, but also in wealthy, countries—has inadvertently contributed to creating environments that are conducive to the rise of identity based movements that foment social fragmentation and create entry points for violent extremism. In doing so, the brief posits that existing economic policies are not “conflict-neutral”, and that governments and multilateral institutions should therefore assess if and how their economic policy frameworks undermine or encourage social cohesion and inclusion, equality and pluralism in society.

*Implications for the Education Sector*

The education sector is a key example of where neoliberal policies have created the conditions in which identity based ideological movements, including extremists have flourished at the expense of national social cohesion. In industrialized countries, many governments adopted neoliberal economic policies by choice. In developing countries, from the 1980s onwards, the IMF and World Bank imposed structural adjustment policies forcing states to lower spending on public education and imposing school fees.38 UNESCO’s 2016 Global Education Monitoring Report finds that in 2014, 51 out of 138 countries spent less than the recommended 4% of GDP on education.39 Countries that do spend within the

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37 Ibid
recommended range still face issues of equitable resource distribution, with policies to address disadvantages in education not integrated systemically.\textsuperscript{40} As noted in the forthcoming report from ICAN and WASL report on the nexus of education, identity and extremism\textsuperscript{41}, the unintended consequences of lower education spending are complex and deep-seated:

- **The cost of schooling shifted from the government to the individual and family through the imposition of fees.** This in turn meant that poorer families are often forced to choose which child attends and how long they can access education. Inevitably this created or deepened significant gender disparities and limits children’s life opportunities as well as the development of their literacy, livelihoods, and critical thinking skills that are key to resilience to radicalization.

- **The reduction in budgets, whether due to austerity in the Global North or restructuring in the Global South, has made the public education sector vulnerable to, and in need of, private sector funding and assistance.** While in principle the concept of public/private partnerships may seem to bring the best of all worlds together, in practice, it has made public education more beholden to private interests.\textsuperscript{42}

- **Reductions in public spending on education has also meant limited resources to build new schools or sustain higher standards of education and development of**


\textsuperscript{40} Ibid (p. 351)


\textsuperscript{42} See, for instance, the funding of charter schools in California by private foundations: “A Look At The Private Interests Funding California’s Charter Schools,” Huffington Post, June 2, 2016, available at: http://www.huffingtonpost.com/entry/charter-schools-funding_us_5750548ae4b0eb20fa0cfb08.
curricula to meet the challenges of a changing world. Austerity has resulted in cutbacks in the teaching of arts, culture, philosophy and civic education—each vital to nurturing pluralistic understandings of contemporary society.

• The lack of effective formative training for teachers and growth of privatized tutoring is an additional consequence. The teacher’s pay gap—the gap between the salaries of teachers and those of comparable workers—is wider than ever. It impacts the quality of teaching, dedication of teachers, their reliance on outside sources of funds such as private tutor pay, and their susceptibility to corruption and manipulation.43 Without effective training and monitoring of standards, teachers may infuse their own personal beliefs and ideologies into curricula and the classroom. This is particularly of concern in places where religion is taught in school, although history, biology and geography are also potentially susceptible to manipulation in the support of extremist narratives and ideologies. In Yemen, for example, teachers have been free to advance their personal religious interpretations when educating children despite having no specific religious training or authority.

Moreover, the erosion of labor rights means that teachers are unable to advocate for better pay, equipment, and training to deliver better outcomes for their students and limit the influence and access of private interests. In Borno State in northeastern Nigeria, for example, teachers are the least paid among government workers. While other civil servants were guaranteed a minimum wage since 2011, teachers are yet to be included in the package.

Pakistan: The Risk and Potential of Madrasa Education

The proliferation of religious schools, or madrasas, in Pakistan is emblematic of the dangers of allowing ideological groups to capture public education. Unlike state-funded Pakistani schools, madrasas feed, clothe and educate children for free and thus provide an attractive option for many families.

While there are various estimates of their number, influence and growth, madrasas spread a specific ideology. They often focus on rote memorization of religious texts and teach authoritative religious interpretations with no room for questioning or critical thinking. Madrasas usually provide little, if any, education in science or other humanities, and the social values they espouse reflect conservative social mores, particularly in terms of gender relations.

Recognizing the power of women to convey values to their children, extremists use all-female madrasas as a mechanism to spread fundamentalist ideology. The number of women attending such schools is increasing as more facilities and incentives are offered. In the 1970’s such schools were rare. By 2009 for example, there were 1,900 registered all-female madrasas, 15 percent of madrasas in the country. Upon graduating, women can establish their own schools that provide them with a sustainable livelihood, adding to the appeal of pursuing this type of education.

When engaged constructively, madrasas can also form an avenue towards peaceful coexistence and social cohesion. Initiatives such as PAIMAN Alumni Trust have worked within madrasas to reduce youth vulnerability to extremist recruitment through programming on human rights, critical thinking, religious tolerance and collaboration.

The failure of official curricula to deal with historical grievances more effectively and address complex identities—particularly in terms of religion—has also led to a demand for alternative information and knowledge, including from online sources. However, this “democratization of information” is accompanied by a dearth of critical thinking and lack of effective means of verifying fact from fiction and fringe from mainstream. At their best, such critical perspectives enable youth to question assumptions and understand historic events from multiple perspectives. But at their worst, the growth of unverified sources and movements pursuing specific political agendas to gain global audiences and platforms has gained such movements far greater influence than ever before possible.

This has created an entry point for ideologies of intolerance and exclusion. With the demand for education always high, the “market” has been opened to and exploited by private educational institutions. Religious movements—from the Catholic Church in Latin America to the Muslim Brotherhood and various offshoots of Wahhabism—have filled the vacuum in the Middle East, Asia and Africa. In many instances they have co-opted the discourse and delivery of human rights by highlighting and addressing issues of social and economic injustice. But alongside these services, they are also promulgating ideology and doctrine, which is exclusionary as it elevates one religious group and set of values and practices over others. Meanwhile from Uganda to Pakistan, the collapse or inaccessibility of public schools has forced parents to entrust their children to informal religious schools simply because they provide the only viable option.


Insecurity impedes education. In areas of persistent insecurity due to extremist violence, such as northeastern Nigeria, individuals must often abandon education or employment for extended periods of time and may never return or regain their former positions, feeding into a cycle of marginalization and exclusion that extremists exploit.

Implications for the Health Sector

The drive to privatize has extended deep into the provision of health care as well. In low-income countries, a clear majority of health care continues to be provided by the private sector—in India, for example, 80% of health care is privatized.\textsuperscript{46} Oxfam has described privatization as being “extremely unlikely to deliver health for poor people”.\textsuperscript{47} Meanwhile, the impact of privately-owned healthcare in wealthy countries with limited national health schemes—has been profound.

With the burden of cost placed on private individuals, quality health care has become a luxury good with disparities in care based on a person’s ability to pay, instead of a responsibility of the state to its population. The erosion of labor rights means that even committed health care workers are unable to advocate for better pay, equipment, and training to deliver better outcomes across the board.

The burden is even greater on women, whose labor is often unpaid and undervalued but who care for the sick and elderly when no other services are available, accessible and/or affordable. Women also face higher health care costs, due to their reproductive and maternal care needs, as well


as higher risks due to childcare and their susceptibility to transmittable diseases as primary caregivers. They are also over-represented in certain frontline professions in the field of health care. During the Ebola outbreak, for instance, these factors resulted in higher mortality rates for women.48

- Non-state organizations—particularly religious entities—have entered the health care space. At its most benign, this is a matter of social justice, and the provision of care is framed as a religious or moral duty. In many contexts, especially post-conflict and insecure settings, religious organizations offer free community clinical services while government clinics either charge fees or are absent. In 2011 in Egypt and Tunisia, a history of service provision meant the Muslim Brotherhood and Ennahda Movement, respectively, had established trust with communities that could be used as political currency in the post-revolutionary context. Similarly, in Lebanon, Hezbollah provides access some of the best health services available in the country, while in the Americas it is largely the Catholic Church that has filled the gap resulting from the reduction in public health services.

The decision made by non-state organizations to provide health care, and by individuals to make use of that care, is not necessarily a political one. However, it does contribute to explaining why and how people develop allegiances towards ideological movements they might have otherwise rejected. In many cases, the health care provided by private or charitable groups comes with invisible strings. In predominantly Catholic contexts this means severe restrictions on women’s reproductive health services. The same restrictions emerge from the prevalence of faith-based organizations providing humanitarian relief in Africa and elsewhere.49

Because extremist movements vilify “the other” and sow fear and misinformation by claiming that health services such as routine vaccinations are ways to control or destroy certain communities by spreading disease and infertility, they create a narrative that validates violence against healthcare providers and centers. The presence of international assistance often inadvertently exacerbates this dynamic by feeding conspiracy theories about foreign plots. Extremist groups have, for example, targeted health infrastructure in northeastern Nigeria and local health workers providing polio vaccinations in Pakistan.

Both by filling gaps in government provided health services and by attacking those services directly with propaganda and/or violence, extremist movements are able to erode community confidence in and trust of the state.
Tunisia and Egypt: Building Trust through Provision of Health Care

For decades, the Egyptian Muslim Brotherhood has stepped in to fill a vacuum in social services created by the state. While state clinics either charged fees or were not present, the Brotherhood offered free community clinical services, open to all citizens regardless of their political or religious affiliation. Where state clinics might have one or two physicians or lack basic medical supplies, the Brotherhood clinics are well-staffed with volunteer physicians, and well-stocked with the latest medical equipment purchased from charitable donations.

Here, the provision of care is framed as a religious or moral duty, and a matter of social justice. By providing care of higher quality and lower cost than that offered by the public system, the Brotherhood already had a base of support with the Egyptian people to build on in the tumultuous post-revolution context.

Ansar al-Sharia, a Salafist military group, also established trust and support by presenting itself as a social service group, with its early members going into marginal neighborhoods and acting as health care workers and religious teachers. Meanwhile, they pushed their ideological agenda: preaching chastity for women and an orientation towards jihadism. Since then, the group has been tied to violent attacks, assassinations and other violent incidents and listed as a terrorist group by the Tunisian government and the United Nations.

Latin America: Reinforcing Extreme Ideologies through Healthcare Provision

In the Latin America of the 1990s, as human rights discourse shifted its focus from economic justice and social welfare to political issues such as freedom of speech and democracy, the Catholic Church stepped in to fill the gap as the primary provider of care.

According to Ariadne Estevez, civil society operates in two parallel universes in Latin America: in one, the secular organizations focus on political lobbying, data collection and indicators related to human rights abuses, but they provide no direct services to victims; in the other, religious organizations support communities and victims—including by providing basic health services that the state is unable to—and, through their outreach, spread the teachings of the Catholic Church.

The provision of health care by the Catholic Church comes with clear ideological strings: namely, severe restrictions on women’s reproductive health and family planning services. Countries in Latin America—Chile, Nicaragua, El Salvador, Honduras, and the Dominican Republic—have some of the most restrictive abortion laws worldwide. The Catholic Church has been a key actor in promoting anti-abortion discourse, for instance by spearheading anti-choice campaigns, as it did in 1999 El Salvador to support a constitutional amendment recognizing personhood from conception.

A gender analysis reveals that a lack of respect for women’s rights—including to control of their own bodies—is related to extreme attitudes that lead to multiple forms of violence. The machismo culture of the region is linked to it having the highest
rates of femicide in the world, while also facing pervasive violence by the state and non-state armed groups alike. Meanwhile, in the United States, the Catholic Church continues to be the largest private provider of healthcare, with one in six patients cared for in a Catholic hospital.


**Implications for the Security Sector**

The security sector is subject to the same reduction in salaries and privatizing trends discussed in the previous sections. However, the state’s role has not decreased in parallel as it has with social services such as health care. In many cases, government and international spending on community security has declined but resources have shifted as states maintain their own forces while also purchasing the services of private firms, resulting in an expansion of the sector.50

According to SIPRI, world military expenditure is estimated to have risen—for a second consecutive year—to $1686 billion in 2016.51 This represents 2.2 per cent of global gross domestic product. Total global military expenditure in the past five years has remained high and carries a significant opportunity cost: SIPRI finds that reallocating even 10% of global military spending would be enough to achieve major progress on key SDGs, including those targeting education, health and poverty.

There are several interrelated areas in which challenges are most evident:

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51 Ibid
• **The reduction of social services has weakened effective community policing.** That vacuum has been filled with vigilantism and it has emboldened militias, cartels and gangs, particularly in poor neighborhoods, to provide security and informal but often harsh and illegal “justice” in exchange for “taxes” or extortion. This has further eroded the state’s authority and legitimacy in affected communities.

Moreover, even when the police are present—particularly in post conflict or crisis affected settings—they are often ill-trained, badly paid and/or predatory towards local communities. The oppressive and violent actions of the state’s security sector towards its own population is a key trigger for prompting radicalization and sympathy for militias and vigilantes that claim to represent or offer justice and security.52

• **Since 9/11 in particular, there has been a significant increase in international resources targeting the security sector in countries such as Afghanistan and Iraq, but donors have circumscribed how those resources are allocated, rather than the countries’ governments themselves.** This limitation, coupled with problems of corruption at the state and local levels, has had profound implications in terms of state and societal security.

• **Who benefits from such significant allocation of resources and related government contracts?** In promoting privatization, neoliberal policies have also created opportunities for vast revenue generation among private security companies who now offer their services to governments. Across Asia, Africa, and Central America, multinational security companies—many of whom are de facto mercenaries—have gained power and influence.

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As private security companies seek to reduce their costs to gain an advantage over the competition, they have an incentive to cut spending on their screening procedures, resulting in the hiring of criminals and—in some cases—former child soldiers.53

• Of course, there is a strong gendered dimension to militarization. Militarization of a society and, more specifically, gun culture, correlates with notions of masculinity, including men as protectors and as warriors.54 As such, militarization disproportionately leads to a drastic decrease of women’s security.

The Global Study on UNSC Resolution 1325 adds: “[M]ilitarism serves to uphold and perpetuate structural inequalities that in turn operate to disenfranchise women and girls from public goods, entrench exclusion and marginalization, and create the ingredients for a platform of broader inequalities that increase the potential for violent conflict to occur.”55

The 2016 ICAN and WASL report, Uncomfortable Truths, Unconventional Wisdoms: Women’s Perspectives on Violent Extremism and Security Interventions, discusses in detail the importance of community policing and the impact of militarization and militias on extremism, radicalization and women’s rights.

Afghanistan: The Dangers of Glut and Mismanagement in the Security

There has been a significant increase in international resources targeting the security sector in Afghanistan, but donors have circumscribed how those resources are allocated. This limitation coupled with problems of corruption at the state and local levels have had profound implications in terms of state and societal security.

A 2015 US government audit of the Afghan Local Police (ALP), an entity formed by the US itself to demobilize thousands of Afghan militias and reintegrate them into a cohesive force to "defend their communities against insurgents and other illegally armed groups," found the ALP was ineffective.

According to the assessment, since the ALP was not adequately equipped, its personnel were used for alternative purposes such as acting as bodyguards to government officials, and there was insufficient oversight and accountability of salary disbursement so funds were misappropriated. Local communities, particularly women’s organizations, also reported on the abusive behavior of ALP members among certain local communities.

The Great Lakes Region and Uganda: The Impact of Private Security and Multinational Corporations

The Great Lakes region of Africa has been plagued with violence since the 1990s, and the Rwandan genocide of 1994. Uganda in particular has emerged as the region’s peacekeeper, pouring resources into the ever-expanding Ugandan military for its role in leading the peacekeeping forces in Somalia.

While the security sector has grown in each country, it has not brought greater security to local population. Instead the region is awash with cheap weapons and related crimes. This in turn has prompted companies to hire private security companies to protect their sites and assets. Yet, says a women peacebuilder from the region, the foot soldiers and the security guards are paid too little to make ends meet, as a result they use their weapons to rob local communities and even the companies they are charged to protect.

Local populations are also angered by the perception that companies present in Uganda do not pay adequate taxes, and that many are protected by the state even though they are involved in taking over communal lands. The state’s logic has been that since the war devastated livestock populations, the land lays idle and it should be used for crops like sugarcane. But it has failed to consult the communities to which the land belongs, when allocating fields to private companies. The expropriated properties are also heavily protected by the army, generating greater resentment within communities, which sets the stage for conflict and violence.

The privatization of security in the Great Lakes, combined with government protection of their interests, has generated both violence, extremism and mistrust of the state in the region.

Implications for Workers and the Labor Force

The dismantling of regulations on the movement of capital and emphasize on attracting private investment by increasing returns on capital has had multiple impacts on the social fabric of societies globally. On the one hand, it has led to cycles of both growth and contraction across and within countries often at the explicit expense of wages and tax revenues, and resulting in reduced state investment in the social safety nets that leave workers and communities vulnerable. On the other hand, labor has followed the money to where the jobs are, thus resulting in mass migration within and across nations, forcing people of differing traditions, faiths and values into close proximity, with each seeking to maintain key elements of their own culture and identity.

One of the critical levers for attracting private investment is removing labor protections, particularly by eroding the right of workers to freely organize and bargain for better working conditions. As the state prioritizes policies to maximize private profits and recedes from its responsibility to protect the rights of workers to associate and bargain, not only do individual wages and benefits decline, but policies overall shift towards the wealthy with the loss of the countervailing force of organized labor. The result has been a rise in precarious and informal work worldwide.

Recent research has found a consistent, negative relationship between core labor rights—collective bargaining, freedom of association, acceptable work conditions, and prohibitions of child and forced labor—and policy areas associated with liberalization. Declining unionization rates around the world are also directly linked to increased inequality.

Without the ability to organize to demand better working conditions, workers shoulder immense risks and are left in increasingly precarious situations. This contributes to a sense of isolation, powerlessness and desperation that identity based extremist movements exploit.

Neoliberal economic policies have also generated new patterns of racism in labor markets over the past several decades, and have differential gendered impacts. The outsourcing of manufacturing work and importing of domestic and care work, clearly demonstrate the intersection of race and gender as women of color most affected, closely followed by men of color from the global poor and working class.

Women working in in low wage manufacturing jobs typically face poor working conditions without benefits or labor protections. They have difficulty organizing due to a combination of the lack of union protections in their country, the tendency of work traditionally associated with women to be undervalued, and the masculinized nature of traditional unions. Domestic workers, for instance, operate in settings invisible in the public sphere and have multiple employers. When combined with language, legal and social barriers, these conditions make foreign domestic workers one of the most isolated and vulnerable populations. As new evidence from Indonesia by the Institute of Policy Analysis of Conflict (IPAC) indicates, extremists are exploiting the isolation, vulnerability and spiritual disconnect that female migrant workers can feel, through online contact and recruitment. Writes researcher, Nava Nuraniha, “For some domestic workers, joining the Islamic State is a form of emancipation—from pasts they sometimes regret, from the hardships of exile, from subservience to men.”

62 Ibid.
Simultaneously, in countries such as the Philippines which has been an exporter of migrant female workers, young men are often left with few jobs or opportunities for socio-economic advancement. This coupled with social and religious marginalization increase their vulnerability to and propensity for joining extremist movements. In the Muslim-majority province of Mindanao that has long been a context of struggle for autonomy, financial incentives are among the key drivers of youth recruitment for some the salaries they earn are the only source of income. The financial incentives have also been a driver of kidnappings and other acts to garner ransoms.63

Meanwhile in many wealthy countries, the increased financialization of the economy, has contributed to stripping away manufacturing jobs, reducing trainings and thus skills development. This is combined with the rise of mechanization that has replaced many jobs, and the transfer of jobs to low income and low wage countries. The men and women in communities that relied on these sectors are faced with limited alternative employment opportunities, often in sectors that have lower pay and fewer benefits.64 Many become vulnerable to the rhetoric of identity based movements that on the one hand blame other countries for taking “their” jobs, while simultaneously attacking immigrants who are willing to take on the low wage, low security, de facto unwanted jobs that now exist. The simplistic notions of returning to past greatness that is implicitly tied to racial, ethnic or religious homogeneity, fans the flames of xenophobia and racism, bringing us one step closer to violence.


“Human rights...provide a very powerful normative lens to evaluate how economic policy works.”
— Dr. Radhika Balakrishnan, feminist economist

Part II: What’s Next? Asking The Right Questions And Developing Policies That Deliver Dignity

A key step to consider is revisiting the underlying assumptions associated with neoliberalism. As Dr. Balakrishnan says, neoclassical economics from which neoliberalism is derived, assumes that in theory “the most efficient outcomes, in terms of the societal allocation of goods and services, will be derived if people and businesses interact in competitive and free markets with the benefit of strong property and contractual rights. Neo-classical economics does not claim automatic equitable outcomes from the operation of free markets, indeed it usually predicts an initial increase in inequality, but it argues that there will be enough gains for winners to compensate losers.”

While this philosophy of economics has been overwhelmingly dominant, many heterodox economists, have always been skeptical of the underlying assumptions. They have, says Balakrishnan “long questioned the “ability of competitive markets to use resources efficiently, and [have] an appreciation that “free” competition is often very wasteful...[they] tend to place more importance on state intervention in market systems, to correct for, or to pre-empt, distributive failures and inequitable outcomes”.

66 “Heterodox economists” are those who embrace diverse approaches to economic theory, see Radhika Balakrishnan et al, Rethinking macro economic strategies from a human rights perspective (Why MES with human rights II), 2008 (p. 10).
In recent and particularly after the financial crisis of 2008, popular movements have begun to catch on to what the heterodox economists have been saying all along: that there are other ways to approach economic policymaking, within a capitalist, market-based system.

What might be our benchmark when taking a critical look at current macro-economic policies? Balakrishnan’s response is to ask additional question: “Why do we participate in the economy? And what is the purpose of economic growth?”

Her response is both simple and has profoundly transformative potential, as she suggests that economic and fiscal policies should designed to enable the realization of the economic and social rights of every person, as defined by the Universal Declaration of Human Rights (UDHR) and elaborated in treaties to which many states have committed including the widely ratified International Covenant on Economic, Social and Cultural Rights (ICESCR).

In other words, the macroeconomic policies pertaining to taxation, fiscal and monetary controls, trade and public expenditure that govern our lives, must be designed and monitored to enable and ensure education, health care, safe communities, employment and other fundamental human rights. As such, it is not a matter of “whether the public or private sector provides”, but of both. The public sector’s responsibility is to ensure the provision of services, and it should do so in partnership with the private sector, with clear regulations to ensure standards of transparency, fairness, quality and cost.

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69 Also including the Convention on the Elimination of All Forms of Racial Discrimination (CERD); the Inter-national Covenant on Civil and Political Rights (ICCPR) and the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), see discussion in Radhika Balakrishnan et al, Rethinking macro economic strategies from a human rights perspective (Why MES with human rights II), 2008 (p. 6).
Seeking to develop an evaluation method that can inform such an approach to economic policymaking, Balakrishnan and her colleagues suggest auditing economic policy based on internationally accepted human rights criteria as a practical approach (see box on page 55-56). Rather than policy impact assessment (such as those conducted to evaluate potential environmental impacts of policies and projects), which requires an analysis of causation, an audit merely requires assessment of results on the ground. Balakrishnan explains:

“An audit has a less ambitious aim: to examine how policy has been conducted—whether it has consisted of action reasonably calculated to realize the enjoyment of a particular right, selecting rights which might reasonably be thought to have a strong relation to the policy instrument. Such an audit can use both quantitative indicators and a qualitative examination of relevant legislation and policy processes.”70

Pragmatism can be the driving force. For example, if the government of a country cannot provide adequate clean water or health care to remote villages, the private sector should have the opportunity to intervene. But the state should have the capacity to apply clear parameters pertaining to the quality of the services provided, and ensure equitable distribution based on the needs of the population. These needs can, in turn, be better determined with disaggregated data that can highlight demographic differences in communities, based on age, sex, ethnicity if relevant, physical or mental disability and so forth.

Such a reframing of economic policies would address many of the deep-rooted factors contributing to rising extremism, particularly since the deprivation and abuse of economic, social and political

human rights are among the root causes of radicalization. It is also aligned with the Agenda 2030 Sustainable Development Goals (SDGs) that aim to address human needs, environmental sustainability, as well as fostering peace and security.

As peace strategist Sanam Naraghi-Anderlini says, Balakrishnan’s approach is, in effect, “a democratizing of economic policy debates at the international, national and local levels because breaking it down into the elements of the human rights framework provides the public a means by which it can engage in identifying priorities, gauge and hold states accountable”. Balakrishnan affirms the principles of non-retrogression (i.e. that human rights conditions should not get worse) and progressive realization (that states should apply the maximum available resources toward improving human rights conditions) are useful in critiquing austerity policies and the erosion of public services.
How to Engage Macro-Economic Policy in the Prevention of Violent Extremism

Based on “Rethinking macro economic strategies from a human rights perspective” by Radhika Balakrishnan, Diane Elson, and Rajeev Patel.

The Universal Declaration of Human Rights covers a range of rights including the following economic and social rights, which all United Nations member states have accepted:

- **The right to work** (Article 23)
- **The right to rest and leisure** (Article 24)
- **The right to an adequate standard of living** (Article 25)
- **The right to education** (Article 26)

Subsequent international treaties, such as the International Covenant on Economic, Social and Cultural Rights (ICESCR), spell out the obligations of states that are party to them. While not all countries have ratified these treaties, all have committed to the fundamental tenets of human rights law.

**Human rights obligations entail three specific duties with respect to economic and social rights.** There are three key duties that a state has to undertake with respect to human rights:

1. the obligation to respect
2. the obligation to protect
3. the obligation to fulfill

**Guidelines for governments in meeting their economic and social rights obligations:**

States enjoy a margin of discretion in selecting the means to carry out their obligations for economic and social rights, but they must pay regard to the following key points:
• **Progressive Realization** acknowledges that the full enjoyment of human rights will not come in a day, but demands that, every day, it comes a little closer.

• **Maximum Available Resources** means that governments cannot shrug off human rights obligations on the grounds of lack of resources.

• **Non-Retrogression** means that once a particular level of enjoyment of rights has been realized, it should be maintained.

• **Minimum Core Obligations/Minimum Essential Levels** means that there is a threshold that States must comply with.

• **Non-discrimination and equality** criteria are central to the universality of human rights.

• **Accountability, Participation and Transparency** mean that governments are obliged to provide mechanisms through which people can hold the state accountable, can participate in policy making, and can access the information required to do so.

**Auditing economic policies for PVE-relevant impact using a human rights framework:**

Collectively, these aspects of international human rights law provide a framework for analyzing international and national economic policies for their contribution toward fulfilling people’s economic and social rights. Economic factors, as elaborated in this report, have a clear but complex role in vulnerability to radicalization and conditions conducive to violent extremism.

Auditing economic policies using relevant rights as pre-established criteria provides a pragmatic method for the monitoring of policy impact on economic and social conditions on the ground. Adopting such an approach would allow for evidence-based national and international decision-making about economic policies that have PVE-relevant impact.

Conclusion

The agenda and the proposed transformation are profound. The vested interests in maintaining the current status quo are equally deep. But the moment is also ripe to challenge the status quo. It provides an opportunity to apply alternative economic models to elevate individual and societal well-being. It also enables a shift from a negative framing of preventing or countering violent extremism, to articulating a positive vision of what we stand for, with emphasis on fostering peace, resilience, equal rights and pluralism (PREP).

Certainly, further research and cross-sectoral dialogues are needed to better understand and analyze the potential connections between macro-economic conditions and extremism with a gendered lens. This report is creating an opening for future analysis and encouraging more in depth examination of the nexus of these trends in industrial or developing countries. It has also demonstrated the importance of undertaking a conflict and gender-sensitive approach to national economic policymaking to avert factors that may contribute to creating and enabling environments for the rise of potentially violent extremist movements. Drawing on the discussions here, we have offered a set of actions for considerations by policymakers, development actors, and researchers (see pages 10-14). This guidance is intended to prompt further dialogue on the nexus of economic policies and PVE, including in the development of national strategies, programming and data gathering.
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