

# **Submission to the Parliamentary Inquiry into the Role of Australia's International Development Program in Preventing Conflict**

Dr Nematullah Bizhan, Development Policy Centre, Crawford School of Public Policy,  
Australian National University

## **1. Overview**

Thank you for the opportunity to make this submission. I am a Senior Lecturer at the Development Policy Centre, Australian National University (ANU), working through the ANU–University of Papua New Guinea partnership. I make this submission in my personal capacity.

My research, among others, focuses on state fragility, peacebuilding, aid effectiveness, and public policy in fragile and conflict-affected situations, with a geographical focus on Papua New Guinea (PNG) and Afghanistan. Particularly, my contribution through the Oxford–LSE Commission on State Fragility, conducting research on policies, aid modalities, and lessons learned across fragile states, including approaches to building resilience, is relevant to this inquiry. The Commission's findings were published in a report titled [\*Escaping the Fragility Trap\*](#), and I subsequently edited a volume, [\*State Fragility\*](#), with leading experts that examines comparative lessons. Prior to joining academia, I served in senior public roles during Afghanistan's post-2001 recovery, with responsibilities spanning economic planning, public financial management, aid coordination, and institutional reform.

Building on my research and professional experience, this submission reflects on how Australia's aid program and broader engagement can more effectively help prevent conflict and address the underlying drivers of fragility. It assumes that Australia's aid budget will be maintained, or increase modestly, in the medium term. The recommendations focus on how Australia's international development objectives could be reoriented to strengthen conflict prevention, improve responsiveness and build resilience in countries at high risk of conflict.

## **2. Context**

The number of countries experiencing active armed conflict has increased in recent years. According to data from the Uppsala Conflict Data Program (UCDP), the number of state-based armed conflicts rose to 61 in 2025 from 59, and the number of wars increased from 9 to 11, with a record 160,000 deaths in organised violence (Pettersson et al., 2025). This trend reflects a broader

deterioration in the international security environment, with the risk of conflict being particularly high in fragile states.

While state fragility is defined in various ways, a more nuanced and analytically useful definition conceptualises fragility as a condition in which a state suffers from one or more deficiencies in state capacity, authority, and legitimacy, often accompanied by weak economic performance and low resilience to internal or external shocks (Bizhan, 2023). In such contexts, governments struggle to provide basic services, enforce rules, manage political contestation, and respond effectively to crises. As a result, fragile states are more likely to experience chronic violence by state and non-state actors, cycles of political instability, and an elevated risk of state collapse (Commission on State Fragility, 2018).

Recent trends in international development finance further compound these risks. A significant decline in international aid flows, particularly cuts to development and humanitarian assistance by major donors such as the US, is likely to deepen fragility and increase the risk of conflict (OECD, 2025). Aid reductions tend to be most damaging in fragile and conflict-affected situations, where external financing plays a critical role in sustaining basic services, supporting peace processes, and mitigating shocks.

Australia is directly exposed to the consequences of conflict and fragility—most immediately through its Pacific neighbourhood, but also through broader regional and global spillovers, including forced displacement, transnational crime, and strategic instability. In this context, investing proactively in conflict prevention and peacebuilding is not only a moral or humanitarian choice but a strategic one. The economic case for prevention is particularly strong. By estimating avoided economic damage from conflict, reduced expenditures on peacekeeping and humanitarian response, and the additional costs of preventive action, under an optimistic scenario, the net global benefits of effective conflict prevention in conflict-affected economies could reach around US\$70 billion per year (Mueller, 2017). This evidence reinforces a core policy insight: the benefits of prevention substantially outweigh its costs.

The role of aid is not neutral; it can reduce or fuel conflict. Aid can reduce the risk of conflict by supporting economic growth and recovery and by increasing the opportunity cost of violence (Collier & Hoeffler, 2002). A direct connection between aid and conflict is also evident, showing that negative aid shocks increase the risk of conflict onset (Nielsen et al., 2011). However, sometimes a large flow of aid (Simoen et al., 2008) and the lack of alignment between donors' and recipient objectives can distort incentives and weaken institutions (Bizhan, 2018). On the positive side, with careful design, targeted allocation, and realistic objectives, aid can play an important role in preventing conflict and building resilience.

Australia has provided aid to conflict-affected and fragile contexts, both globally and in its immediate region. Following the attacks of 11 September 2001 in New York and Washington, Australia became a major contributor to institution-building, reconstruction, and state building in Afghanistan, combining military engagement with substantial development assistance over two decades (Parliament of Australia, 2021; Maley, 2021). In the Pacific, Australia remains the largest bilateral donor to Papua New Guinea and a leading development partner to several other Pacific Island countries, including the Solomon Islands (Development Policy Centre, 2025), and provided some funding to peacebuilding initiative in places such as the Philippines, Sri Lanka and Burma (AusAID, 2005).

Both PNG and the Solomon Islands have experienced major episodes of violent conflict in recent decades. While the conflict in Solomon Islands between 1998 to 2003 was stabilised through regional intervention led by Australia (Allen, 2012), PNG continues to face persistent low-level violence, including tribal fighting, election-related violence, and unresolved political and governance challenges linked to Bougainville's aspirations for autonomy and independence (Michael et al, 2022; Walton & Dinnen, 2022; Bizhan & Gorea, 2022). These dynamics illustrate how conflict can weaken institutions and economic performance, deepen fragility, and generate self-reinforcing cycles of instability—while fragility can, in turn, increase the risk of conflict.

Against this backdrop, the case for Australia's international development program role in conflict prevention is compelling. The critical question is not whether Australian aid can help prevent conflict, but how and under what conditions it can do so effectively. On this basis, I offer four recommendations: (1) embed conflict sensitivity across aid design and delivery, grounded in realistic objectives and genuine local ownership and leadership; (2) prioritise programs that build resilience and expand inclusive economic opportunities; (3) provide support for locally driven public dialogue to advance peacebuilding, and support process aimed at political settlement; and (4) invest in the study of conflict and fragility through Australian institutions as a proactive, forward-looking approach to conflict prevention. These recommendations are discussed in detail in the following.

### **3. Recommendations**

#### **1. Aid modality: Embed conflict sensitivity across aid design and delivery, grounded in realistic objectives and genuine local ownership and leadership**

Australia's aid program should adopt a conflict-sensitive, flexible aid modality explicitly tailored to the political, institutional, and socio-cultural realities of fragile and conflict-affected contexts. This requires moving beyond uniform programming approaches and targeting assistance in ways that recognise local power structures, incentives, community dynamics, and sources of grievance, particularly in areas where the risk of violence is most acute. Flexibility in design and

implementation is essential to ensure that aid does not inadvertently exacerbate tensions, reinforce exclusionary institutions, or bypass local institutions.

At the same time, aid objectives need to be realistic about what they can achieve and what they cannot. Expectations about what aid can achieve in preventing conflict must be calibrated carefully: development assistance can support peacebuilding indirectly—by strengthening inclusive institutions, livelihoods, and state–society relations—but it cannot substitute for political settlements or resolve deep-rooted conflicts on its own. A realistic articulation of objectives will help align programming choices with achievable outcomes and avoid overburdening aid with goals it is not designed to deliver.

Finally, conflict prevention and peacebuilding efforts must be domestically led and sustained over the long term. Australian aid should prioritise financing locally driven initiatives, institutions, and processes that have domestic legitimacy and ownership, recognising that a durable peace cannot be externally imposed. To the extent possible, pooled funding and effective donor coordination—particularly in contexts where Australia is the lead donor—will be imperative. This implies supporting national and subnational actors with long horizons, even where progress is incremental, and resisting short-term, project-driven approaches that undermine local agency. Taken together, a conflict-sensitive, realistic, and locally led aid modality can offer a credible pathway for Australia's aid programs to contribute to conflict prevention.

## **2. Aid Allocation: prioritise programs that build resilience and expand inclusive economic opportunities.**

Australia's aid allocation should place greater emphasis on building resilience to shocks and expanding inclusive economic opportunities. Economic marginalisation, youth unemployment, and exposure to recurrent shocks—whether political, climatic, or economic—are key drivers of fragility and persistent low-level violence. Targeted investments that support livelihoods, local markets, and basic economic infrastructure can help reduce vulnerability, increase the opportunity cost of violence, and strengthen communities' capacity to absorb and adapt to shocks. In this sense, aid contributes to conflict prevention not through rapid stabilisation gains, but by addressing the structural conditions that sustain fragility over time.

At the same time, resilience-focused aid must be deliberately inclusive and geographically targeted, ensuring that benefits reach groups and regions most exposed to conflict risk, including youth, women, and communities affected by conflict and violence. Without such targeting, economic assistance risks reinforcing existing inequalities or elite capture, thereby exacerbating grievances. Aligning aid allocations with resilience and inclusive growth objectives, therefore, strengthens both development outcomes and Australia's broader interest in preventing instability in its region.

### **3. Provide support for locally driven public dialogue to advance peacebuilding and support processes aimed at political settlement.**

Australia's aid program should place greater emphasis on supporting inclusive public dialogue and political settlement processes as a core pillar of conflict prevention. Violent conflict in fragile contexts is rarely driven by service delivery failures alone or poverty; it is more often rooted in unresolved political grievances, exclusion from decision-making, and contested authority between state and societal actors. Aid that creates or sustains spaces for dialogue—at national, subnational, or community levels—can help manage tensions, channel grievances peacefully, and reduce the likelihood that disputes escalate into violence.

Support for dialogue should be locally grounded and politically informed, recognising that political settlements are context-specific and evolve over time. Rather than prescribing institutional outcomes, Australian assistance should fund programs that empower domestic actors—governments, customary authorities, civil society, women's groups, youth representatives, and political elites—to engage in credible processes of negotiation, mediation, and consensus-building by various means, including empowering civil society. This is particularly relevant in contexts where formal institutions coexist with customary and informal governance systems, such as in PNG and the Solomon Islands, and where legitimacy derives as much from social acceptance as from legal authority.

Importantly, political settlement support requires long-term commitment and strategic patience. Progress is often incremental and non-linear, and short-term project cycles are poorly suited to the realities of peacebuilding. By aligning aid with sustained dialogue and inclusive political processes, Australia can help address the underlying drivers of conflict and contribute to more durable and legitimate governance arrangements.

### **4. Invest in the study of conflict and fragility through Australian institutions as a proactive, forward-looking approach to inform conflict prevention interventions.**

The world is experiencing a more uncertain conflict landscape characterised by protracted crises, hybrid threats, political fragmentation, climate stress, and recurrent low-intensity violence. In this context, Australia's ability to anticipate and prepare for conflict risks—particularly in its immediate region—is increasingly important to its security, prosperity, and regional relationships.

Australia does not currently maintain a dedicated, long-term research program focused explicitly on conflict, fragility, and resilience. While DFAT has supported relevant research through time-bound initiatives, program-linked studies, and evaluations, these efforts have been fragmented and episodic, limiting Australia's capacity for sustained, forward-looking analysis of conflict risks. This contrasts with the approach taken by other actors, including the UK and the World Bank, which have invested in institutionalised research platforms to inform policy, stress-test

interventions, and anticipate emerging risks and mitigating strategies in fragile and conflict-affected situations.

In a submission to this Committee in November 2021, I recommended the establishment of dedicated initiatives to strengthen Australia's holistic analytical capacity on conflict and state fragility. That recommendation remains salient—and arguably more urgent—today. Investing in a dedicated and evidence-based research program on conflict, fragility, and resilience could inform Australia's strategic preparedness, enhance policy coherence, and improve how Australia's aid and broader engagement contribute to conflict prevention and stability in the region and beyond.

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