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The Impact of Peace Accounting on Economic Growth of Sub-Saharan African Countries

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Abstract:
The poor economic growth experienced by most developing nations can be attributed to violent conflict which sprang from environmental neglect and misunderstanding. Peace accounting is needed in assessing the extent of loss incurred as a result of insecurity and alternative ways of investing fund to curtail its effects on the economy. This study examined the impact of peace accounting on the economic growth rate of sub-Saharan African countries. The study adopted ex-post facto research design. The population of the study comprised the 48 Sub-Saharan African countries. Seven countries were selected using stratified and purposive sampling techniques. Data used were obtained from the World Bank databank for 35 years (1984-2018). Descriptive and inferential statistics were used for data analysis. Findings revealed that peace accounting had positive and significant impact on economic growth rate (ΔGDP)(Adj. $R^2 = 0.0659$, $F(3, 242) = 18.61$, $p < 0.05$*). Cost of Defense had insignificant and positive impact on ΔGDP (*$\beta_1 = 0.166$, $t(245) = 0.75$, $p > 0.05$*). Foreign Agricultural Aids had significant and positive impact on ΔGDP (*$\beta_1 = 0.378$, $t(245) = 3.03$, $p < 0.05$*). Food Production Index had insignificant and positive impact on ΔGDP (*$\beta_1 = 6.098$, $t(245) = 1.60$, $p > 0.05$*). The study concluded that since cost of defense, foreign aids on agriculture, food production index pooled together have positive significant effect on economic performance. It can be drawn that peace is a vital determinant for economic performance. It was recommended that governments of each country should put in place peacekeeping and peace building activities that will promote economic performance.*

Keywords: *Cost of defense, Economic growth, foreign agricultural aids, Food production index, Peace accounting, Insecurity*

1. Introduction

Security challenges can be a threat to both economic development and peaceful coexistence. Sustaining a viable economy via development and growth can therefore be said to be a core objective of most countries of the world.A threat to peaceful environment can result from environmental and atmospheric pollution, oil spillage, destruction of Ozone layers, global warming and climate change. (Ironkwe & Success 2017). And if left unattended to might affect the economic performance of a country. Bove and Eila (2017) stated that economics and security are greatly intertwined. According to Corfee-Morlot, Parks, Ogunleye and Ayeni (2018) development today is often associated with GDP, but that idea is relatively modern. GDP as a measure of development was sensible, but it had limitations as a measure of human welfare. Institute for Economics and Peace (2018) noted that Sub-Saharan Africa countries have the lowest energy access rates in the world. Electricity reaches only about half of its people (IEA, 2018). Economic growth in the region is also relatively low at an estimated 2.8% percent in 2018, compared to 7.1% in South Asia (International Monetary Fund, 2018). This lack of energy access which is one sources of conflict between citizens and government of some of the sub-Saharan African countries has suppressed economic growth and sustainable development (World Bank, 2017). According to Mueller and Tobias (2016) the setbacks in economic performance in terms of economic growth that many developing countries have experienced in recent times can be majorly attributed to violent conflict. Sandlers and Enders (2010) opined that conflicts, violence, terrorism, insecurity can raise the costs of doing business in terms of higher insurance premiums, expensive security precautions, and larger salaries to at-risk employees. Moreover, the recessions experienced during periods of violent conflicts are major factor for much lower average growth rates over time in fragile countries such as the Sub-Saharan African countries. (Mueller & Tobias, 2016).

Natufe, (2001) noted various environmental neglect and misunderstandings between the resultant companies and the host communities have led to several violent confrontations, severe ecological damage, human and food insecurity. All these security issues may cause economic set back in a country given the involvement of the financial resources, human resources, material resources and even the environmental impact. Okoro and Amachi (2016) opined that most nations are now trying to measure the cost of curtailing these domestic crises. Studies such as Gobat and Kostial (2016); Balami, Ahmed and Yusuf (2016); Onime (2018); Obasi, Asogwa and Nwafee (2018). Are of the opinion that accounting for peace might have some negative effect on the performance of an economy especially in the sub-Saharan Africa. Hentges and Coicaud (2002)in the light of accounting for peace in Africa, accessed the cost of peacekeeping operations in Africa in the 1990s, examined if the results produced in the UN peace keeping operation justify the cost involved. Findings revealed mixed results. This is a pointer that peace keeping activities cannot solve all. It is therefore important to give records and report of resources both financial and human resources expended in the course of achieving peace or solving domestic predicaments. This is because reporting the costs relating to peace or domestic predicaments is important for policymaking by the government since finance is very paramount in pursuance of a country's policy objectives (Abubakar 2015).

Most of the Sub-Saharan African countries are still struggling to find their feet economically years after independence. Many of the countries has been experiencing a plethora of conflicts ranging from secessions, civil wars, regional conflicts, and internal crises (ethnic, religious) which continue to affect the country's development. (Ikejiaku, 2009). Despite several years of commitment of men and material resources to conflict resolution, peace has been elusive. Santhirasegaram (2008**)** noted that a large number of developing countries in which most of the Sub-Sahara African countries fall have not achieved higher economic growth and development even after they have passed two decades of reforms. These countries are still unable to control inflation and the value of currencies of these countries has fallen sharply; but their external debt is increasing. Despite the rise in the level of debt and external aids, there is no resulting improvement in the economic performance of most of the sub-Saharan Africa. (UNCTAD, 2016).What then is the role of peace accounting? This research therefore seeks to investigate how well peace accounting can drive economic performance. This study therefore examined the impact of peace accounting on economic growth rate of Sub-Saharan African countries.

2. Literature Review

According to Haller (2012) Economic growth is obtained by an efficient use of the available resources and by increasing the capacity of production of a country. It facilitates the redistribution of incomes between population and society. The cumulative effects, the small differences of the increase rates, become big for periods of one decade or more. It is easier to redistribute the income in a dynamic, growing society, than in astatic one. Gopar, Dalyop and Yussuf (2018) opined that economic growth means a sustained increase in per capita national output or net national product over a long period of time. In other to measure economic growth, economists usually consider the rate of changes experienced in the real GDP from year to year.Haller (2012) further mentioned that when the rate of economic growth is big the period of goods and services rises and consequently unemployment rate decreases the number of job opportunities and issues as well as the population standard of living. Ajide (2014) noted that economic growth is the most powerful instrument for reducing poverty and improving the quality of life in developing countries.

Widianingsih (2018) is of the opinion that the emergence of the concept of peace and the need for accounting is not separated from the long history behind the development of its thinking.The main charge brought to the accounting is the lack of future perspective in anticipating crises and the limits to respond efficiently to them. In the way the actual accounting has its concepts set up it will never be able to break the economic cyclicity which is generating economic storms. (Diaconu 2017). Oghoghomeh and Ironkwe (2012) defined Peace accounting as the process of recording, analyzing and providing of information that relates to cost of curbing violence or cost associated with peace-keeping. The information is so significant that it solves the agency problem that may erupt between the government and the citizens. It has caused the government huge amount of resources in guaranteeing peace and national security. Peace accounting according to Okoro and Amaechi (2016) is the process of recording, analyzing and providing information that relates to cost of curtailing violence or cost associated with peacekeeping. According to Ijeomah (2014) Peace Accounting is the systematic according and ascertainment of the cost of peace keeping. Nations are now trying to measure the cost of curtailing these domestic crises. Peace accounting deals with the cost accompanying domestic predicaments such as insecurity, political violence, insurgency, militancy, economic predicament, corruption and all other costs connected with national security.

Mercy Corps (2015) noted that conflicts have both economic cost and benefits. While many actors do reap economic benefits from conflict, peace accounting comes into play by measuring the economic costs of conflict and benefits of peace to different parties such as individuals, organizations foreign investors, as well as government of a country. Mercy Corps (2015) further noted that countries tend to incur huge social as well as indirect economic cost, the social cost of conflict such as lives lost, relationships broken, services disrupted, or trauma induced, disruption of education. All these have to do directly or indirectly with human development of a country,

Stiglitz and Bilmes (2012) in their work, estimating the costs of war: methodological issues, with applications to Iraq and Afghanistan opined that wars have both micro and macro-economic cost implications. Their methodological thought showcases two approaches: measuring cost of war in economic and accounting terms. Economic costs include micro and macroeconomic costs. Microeconomic costs are cost of war endured by a particular individual or firm while macroeconomic costs are those which have effect on the whole economy in excess and ahead of the amount of micro costs. Thus, the economic approach to calculating peace accounting is assessing the amount of resources utilized and how these expended resources are valued. On the other hand, accounting approach deals with providing information on the use of resources during domestic disaster. The accounting approach as they discuss, is indispensable for good governance of a nation. They argued that while micro economic costs of war include costs suffered by particular individuals and firms, macro-economic costs exert effects on the aggregate economy. This therefore, implies that wars ravage economy from two distinct perspectives and invariably retard growth and development of countries involved in it. (Stiglitz & Bilmes 2012).

Polachek and Sevastianova (2010) in their study on the relationship between conflict, political instability and national economic performance explore various types of conflict and the result of the study revealed that wars slow down economy, civil wars reduces annual growth, high intensity conflict also reduces growth while on the other hand, low-intensity conflict slows growth much less than high-intensity conflict, and may slightly increase it. The detrimental effect of conflict on growth is intensified when examining non-democracies, low-income countries, and countries in Africa. In the study of Abubakar (2015) on the cost and benefit of Nigeria's peace mission in Sierra Leone. Using descriptive analysis, the study explored the cost and benefits of Nigeria's peace mission in Sierra Leone and found several benefits and implication of peace accounting costs. Findings revealed that Nigeria's intervention in the peace mission led to a fall of the GDP from 8.2% in 1991 to only 1 % in 1994 which triggered a decline in the Nigerian economy. Thus the cost of peace accounting made the Nigerian economy to become volatile. However, findings of the study also showed that peace accounting cost in Nigeria came with benefits such as re-establishing the nation as the giant of Africa, international laurels won, solidification of the bilateral affiliation between Nigeria and Sierra Leone, expansion of trade relations and improved economic investments in Sierra Leone. Ognoghomeh and Ironkwe (2012) studied accounting for peace and economic development in the Niger- Delta case Nigeria for the period of 10 years (1999-2008). The result of the analysis showed that cost of peace keeping in the Niger-Delta region of Nigeria, has a negative significant impact on the economic development of Nigeria. It was therefore recommended that to eliminate cost of peace enthronement in the Niger-Delta region and consequently improve the economic development of Nigeria, the Federal Government and her parastatals as well as the multinational oil companies should pay special attention to the Niger-Delta question by making provision for higher level of infrastructure (electricity, good roads, efficient communication systems, portable water, employment opportunities, scholarship awards), to the people.

Farzanegan (2017) asserted that less peaceful countries have experienced economic stagnation. Their annual per capita GDP growth has, on average, grown by just one per cent over the last six decades. Poor economic performance has effectively made low peace countries more vulnerable to political instability. Factors such as high levels of poverty, unemployment and inflation have been shown to be risk factors for political unrest.IEP (2017) used as a global model of the cost-effectiveness of peacebuilding, based on the case study findings and the data generated from them. Using 20 years of peacebuilding expenditure, Rwanda's experience as a baseline and combining this with IEP's research on the global cost of conflict, the paper presents scenario analysis and a model of peacebuilding cost-effectiveness. It finds that using conservative assumptions, the cost-effectiveness ratio of peacebuilding is 1:16, showing that increased funding for peacebuilding would be hugely beneficial not only to peacebuilding outcomes but in terms of the potential economic returns to the global economy. This means that if countries currently in conflict increased or received levels of peacebuilding funding to appropriate levels estimated by this model, then for every dollar invested now, the cost of conflict would be reduced by $16 over the long run. De Groot (2010) studied the spillover effects of conflict on countries in Africa and found both negative and positive spillover effects of conflict, depending on whether a neighboring country has direct contagion with the conflict country, or is non-contagious with the conflict country. With a wider sample of countries, the study of Dunne (2012) show that the economic effect of military expenditure is negative in the short run and depends on the income level of a country, with countries experiences conflict having a more persistent impact on economic outcomes.

Food insecurity, a complex and multi-faceted phenomenon, is currently one of the international community's main priorities, especially in sub-Saharan Africa (SSA). Food and Agriculture Organization (FAO) (2015) defined food security as when all people in any times, have physical, social, and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. As food insecurity in this region is most widespread in pockets of extreme poverty, particularly in rural areas, traditional agricultural or general economic interventions alone are unlikely to generate substantial improvements. Instead, there is ample scope for social protection schemes. (Burchi, Scarlato & d'Agostino, 2016). Reducing food insecurity in the developing world continues to be a major public policy challenge, and one that is complicated by lack of information on the location, severity, and causes of food insecurity. Such information is needed to properly target assistance, evaluate whether progress is achieved, and develop appropriate interventions to help those in need.Braun (2006). Growth in the agriculture sector is two to four times more effective in raising incomes among the poorest compared to other sectors. 2016 analyses found that 65% of poor working adults made a living through agriculture. However, agriculture-driven growth, poverty reduction, and food security are at risk: Climate change could cut crop yields, especially in the world's most food-insecure regions. (World Bank, 2019). Akresh, Verwimp and Bundervoet (2011) confirmed that Conflict may have a direct effect on food security through the destruction of livestock and burning of crops which clearly affects the health of those suffering from food insecurity. Conflict also leads to displacement which in particular increases children's exposure to and risk of water and vector-borne diseases. In addition, the destruction of health infrastructure in the course of conflict and lower financial resources reduce access to healthcare and the demand (ability to pay) for it, respectively (Honig 2017).

Ademola (2019) investigated the impact of agricultural financing on Nigeria Economy the study affirmed that agricultural output level in Nigeria during the period review by the study for has contributed negatively to the level of economic development. This revelation persisted despite the fact so many funds from different sources have been expended on the sector. The Nigerian economy still rely heavily on the foreign economies for both the raw materials meant for the industrial and manufacturing sector on one hand and certain number of her food items for the survival of the citizenry on another hand. This outcome may be attributed to the fact that agricultural production in Nigeria has been characterized by low and dwindling output due to the long-term neglect it has suffered in the hands of successive governments in Nigeria.Abula and Ben (2016) research into the impact of agricultural output on economic development in Nigeria within the period of 1986 to 2014. They used annual time series data and employed Augmented

DickeyFuller unit root test and vector Autoregressive model, the variables used were Agricultural input and public Agriculture expenditure to explain economic development provide by per capita income. The result shows that agriculture plays an important role on Nigeria economic development. Sharing this view, Oyenbo and Rekwot (2014) provided an empirical relationship between agricultural production and the growth of Nigerian economy with focus on poverty reduction. Time series data were employed in the research at the analysis of the data were done using unit root test, and the bounds (ARDL) testing approach to co-integration. The result of the data analysis indicated that agricultural production was significant in influencing the favorable trend of economic growth in Nigeria. Also, Inusa, Daniel, Dayagal and Chiya (2018) studied the Nigerian economic growth and recovery: role of agriculture and found that within the period of 2015, exchange rate had a direct relationship with agricultural input and such relationship was significant. However, in a contrary opinion, Mathew and Adeboye (2010) Studied into the role of the agricultural sector in economic development of Nigeria. They used empirical data from 1970 to 2008 and employed the use of Johansen co-integration techniques of regression. The result shows that there is no significant impact of agricultural sector on economic development in Nigeria.
The study is anchored on signaling theory.Signaling theory focuses primarily on the deliberate communication of positive information in an effort to convey positive organizational attributes this applies to conflict situations too. The peaceful condition an environment sends a signal that attracts the performance of the economic in terms of its growth, human development and infrastructural development and foreign direct investment. The economy of a country tends to react to signals thrown to it form its environment in terms of the level of security (live, properties, investments and food). This study will take the reaction of the economy to be the performance of the economy.

3. Methodology

This study adopted the *ex-post facto* research design. Secondary data were extracted from World Bank databank and the relevant international and national regulatory and statutory bodies of the selected countries for the period of 1984 to 2018. The population of this study consisted of the 48 Sub-Sahara African Countries as identified in the World Bank factsheet, as at 30September 2019. The sample size for the study was 7 sub-Sahara African Countries. These are: Nigeria, South Africa, Liberia, Kenya, Rwanda, Zambia and Uganda.
Y = f(X), Y= Economic growth rate; = change in GDP; X= Peace accounting; x_1 = cost of defense (COD); x_2 = foreign aids on agriculture (FAA); x_3 = food production index (FPI)
$\Delta GDP_{it} = \beta_0 + \beta_1 logCOD_{it} + \beta_2 logFAA_{it} + \beta_3 log\ FPI_{it} + \mu_{it}$

4. Result and Discussion of Findings

Variable	Coefficient	Std Error	t-Stat.	Prob.
logcod	0.166	0.230	0.72	0.472
logfaa	0.378	0.125	3.03	0.003***
logfpi	6.098	3.807	1.60	0.111
constant	-11.35	5.351	-2.12	0.035**
R-squared	0.0659			
Adjusted R-squared	0.0659			
F Stat	18.61			
Prob.(F stat)	0.000***			

Table 1
Dependent Variable: ΔGDP; Obs.: 245
**significant at 5%*
Source: Researcher's Computation, 2020

The regression analysis estimates on the table showed that all peace accounting variables which include cost of defense (COD), Foreign aids on agriculture (FAA), food production Index (FPI) positively affect economic growth rate (ΔGDP). This is indicated by the sign of the coefficients, that is β_1= 0.166>0, β_2= 0.378>0, and β_3= 6.098> 0The result for cost of defense (COD), Foreign aids on agriculture (FAA), food production Index (FPI) is consistent with *a priori* expectation as it is excepted that the variables of peace accounting will have positive effect on economic performance. The probability of the individual t-statistics shows that while cost of defense (COD) has a positive effect on economic growth rate, this effect is insignificant at 1%, 5% and 10% levels of significance given the p-value of 0.472. Also, t-statistics shows that Foreign aids on agriculture (FAA) has a positive significant effect on economic growth rate at 1%, 5% and 10% levels of significance given the p-value of 0.000. Food production Index (FPI) has a positive insignificant effect on economic growth rate given the p-value of t-statistics to be 0.111.

The size of the coefficient of the independent variables showed that a unit increase in cost of defense (COD), will lead to 16.6% improvement in the economic growth rate, while a unit increase in Foreign aids on agriculture (FAA) will bring about 3.78% increase in economic growth rate and a unit increase in food production index (FPI) will lead to 60.98% increase in economic growth rate. Additionally, the adjusted R-squared showed that 6.59% variations in economic performance measured by economic growth rate (ΔGDP) can be attributed to the measures of peace accounting while the remaining 93.41% variations in economic growth rate are caused by other factors not included in this model. This might be as a result of the nature of data used. Although, the coefficient of determination shows that the main model has weak explanatory power. However, the probability of the F-statistic indicated that this model is statistically significant. Hence, peace Accounting has a statistical significant impact on economic growth rate.

4. 1. Discussion of Finding

The objective was set out to investigate the effect of peace accounting measured by include cost of defense (COD), Foreign aids on agriculture (FAA), food production Index (FPI) on economic growth rate (ΔGDP). From the result of the regression analysis carried out in model one, it was discovered that peace accounting has a positive significant effect on the economic growth rate of Sub-Saharan African countries. The proxies of peace accounting which include cost of defense, (which takes care of the insecurity of human and property), foreign agricultural aids and food production index. (Which take care of food insecurity). The finding aligned with the report of Oyenbo and Rekwot (2014); Fearsonand Hoeffler (2015); Abula and Ben (2016); Farzanegan and Hassan (2017); IEP (2017) who noted that less peaceful countries experience economic stagnation. Stating that the annual per capita GDP growth of the countries studied has, on average, grown by just one per cent over the last six decades. Poor economic performance has effectively made low peace countries more vulnerable to political instability. However, This study shows a different opinion from the findings of Ognoghomeh and Ironkwe (2012); Asuquo, Dickson, and Emechebe, (2016) who found that cost of peace keeping has a negative significant impact on the economic development of Nigeria. The studies of Asuquo, Dickson, and Emechebe, (2016); Onime (2018) revealed that the cost of peacekeeping significantly affects the growth of the economy; the cost of peacekeeping significantly affects the recurrent expenditure of government. Also, Onime (2018) found that insecurity reduces government revenue. Even though, some of the literatures considered found that the cost of peace keeping have a negative effect on the economic growth, the findings of this study showed that cost of defense has a positive effect on the economic growth of countries in Sub-Saharan Africa. This effect is however insignificant. The implication is that the more the cost of defense the more improvement in the economic growth rate. The cost of defense increases in the event of peace keeping and peace building in a less peaceful country. In line with the assertion of Farzanegan and Hassan (2017) that less peace countries experience economic stagnation hence to improve a stagnant economy, there is a need to increase the level of peacekeeping in that country. The study also supports the findings of IEP, (2017) who found that a strong connection between future changes in peacefulness and past performance of some selected countries. In the last six decades, per capita GDP growth has been three times higher in highly peaceful countries than in countries with low levels of peace. Over the last decade, countries with the largest improvements in peace recorded seven times higher GDP per capita growth than those that deteriorated the most.

Looking at the cost-benefit technique, Fearson and Hoeffler (2015) looked at the benefits and costs of the conflict and violence for the post-2015 development agenda. This study breaks grounds in setting the global costs of violence. Several forms of violence that may pose a threat to national security, costs and GDP were identified The study discovered the type of violence that are mostly costly to society are ones that attract less attention, in both government spending and public imagination. Furthermore, the study evidenced that violence is deteriorating and the fall off in violence in guaranteeing national security is connected with countries with high incomes, signifying that countries with low and middle income may experience huge cost of peace accounting as well as violence that can threaten the national security. Contrary to the findings of Asuquo, Dickson, and Emechebe, (2016); Onime (2018) who found a negative relationship between cost of peacekeeping and economic growth noting that insecurity cause dwindles government revenue. Not disputing the fact that insecurity in any country can affect the economic performance of the country, however, putting in place peace building activities such and expenditures on peacekeeping can reduce the level of insecurity. This assertion is supported by the findings of IEP (2017) using Rwanda as a case study. Finding revealed that increased funding for peacebuilding would be hugely beneficial not only to peacebuilding outcomes but in terms of the potential economic returns to the global economy. This means that if countries currently in conflict increased or received levels of peacebuilding funding to appropriate levels estimated by this model, then for every dollar invested now, the cost of conflict would be reduced by $16 over the long run. Projected forward ten years from 2016 this would save US$2.94 trillion in direct and indirect losses from conflict.

Furthermore, in respect to reducing the level of food insecurity, the findings from the study revealed that foreign agricultural aids and food production index have positive effect on economic growth rate. While food production index has insignificant effect, foreign agricultural aids have a significant effect on economic growth rate. The finding aligns with the study of Oyenbo and Rekwot (2014); Abula and Ben (2016);Abula and Ben (2016); Inusa, Daniel, Dayagal and Chiya (2018) noted the importance of Agriculture to economic development, especially in less developed countries (LOCs) like the Sub-Saharan African countries where industrialization is under developed. Oyenbo and Rekwot (2014) indicated that agricultural production was significant in influencing the favorable trend of economic growth, while on the other hand the findings of Ademola (2019) found that agricultural output level in Nigeria during the period review by the study for has contributed negatively to the level of economic development. Despite the fact so many funds from different sources have been expended on the sector. Also, Mathew and Adeboye (2010) found that there is no significant impact of agricultural sector on economic development. however, the negative impact found by Ademola (2019) can be attributed to the fact that agricultural production in Nigeria has been characterized by low and dwindling output due to the long-term neglect it has suffered in the hands of successive governments in most sub-Saharan African countries.

The positive effect of peace accounting follow the signaling theory that the peaceful condition an environment sends a signal that attracts the performance of the economic in terms of its growth. The economy of a country tends to react to signals thrown to it form its environment in terms of the level of security (live, properties, investments and food)

5. Conclusion and Recommendation

The study investigated the impact of peace accounting on economic performance of Sub-Saharan African countries. The study measured peace accounting using the cost of defense (COD), foreign aids on agriculture (FAA) and food production index (FPI) on economic growth rate. Findings of this study provided insight into the impact of peace accounting on the economic growth rate of selected Sub-Sahara African countries. It also provided an affirmation of the extent to which the variations in the dependent variable are caused by the independent variables covered in the models as depicted by the adjusted R-squared. The economies of developing countries like the Sub-Saharan African countries is found by the study to be fragile economies sensitive to any conflict related activity, violence and insecurity. Peace accounting offers a quantitative basis for recording and analyzing and providing information on the activities of peace keeping and the financial implication of peacekeeping and peace building in a country and how it relates to the economic performance of the country. The study emphasized the importance of ensuring security in terms of lives and food. These contribute positively to the performance of the economy in terms of economic growth rate. From the findings of the study, it can be concluded that since cost of defense, foreign aids on agriculture, food production index pooled together have positive significant effect on economic performance. It can be drawn that peace is a vital determinant for economic performance. The importance of peacekeeping and peace building activities and the financial implication cannot be neglected. Accounting for peace in any country will motivate and enhance the performance level of that country.

It is therefore recommended that governments of each country should put in place peacekeeping and peacebuilding activities that will promote economic performance. Based on the positive effect of foreign agricultural aids and food production index on economic performance, the study recommends for diversification of the economy towards agriculture.

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