

GLOBALIZATION AND WAR ECONOMIES: PROMOTING ORDER OR THE RETURN OF HISTORY?

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This paper is concerned with the paradox of globalization. That is, despite the predominance of neo-liberal assumptions that market reform will promote growth and order, we are daily confronted with setbacks and evidence of instability. In analyzing this paradox, the link between development and security is examined on two accounts: first, the trend toward the privatization of international security and, in particular, the emergence of a new security community composed of nongovernmental organizations (NGOs), private security agencies, multinational companies and governments; second, the reliance of this community on instrumental forms of knowledge that regard conflict as stemming from a developmental malaise. From this perspective, globalization and market liberalization are unproblematic. Indeed, in helping promote development they furnish the basis of stability. Using evidence from extra-legal parallel or transborder trade, however, it is possible to provide a different interpretation.

Globalization and market deregulation have increased the regional penetration and transcontinental linkages of transborder activity of all types. At the same time, there is a structural similarity between transborder trade generally and the relations and modes of organization that constitute contemporary war economies more specifically. In other words, rather than promoting stability, globalization has helped illiberal and quasi-feudal forms of political economy to expand. The paper concludes by examining the emerging development-security complex formed by the interaction of these alternative economies with the new security community. This terrain poses new challenges, uncertainties and threats in equal measure to the declining relevance of conventional forms of analysis and response.

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THE PARADOX OF GLOBALIZATION

The term globalization has a number of different and even conflicting meanings. Within the international financial institutions (IFIs) and among free-market economists, for example, globalization is largely understood in terms of a world-wide economic and political convergence around liberal market principles and the increasing real-time integration of business, technological and financial systems.¹ Based on an expansion and deepening of market competition, globalization is synonymous with an irresistible process of economic, political and cultural change that is sweeping all national boundaries and protectionist tendencies before it. Indeed, for a country to remain outside this process is now tantamount to its marginalization and failure. This pervasive neo-liberal assumption has been dubbed "hyperglobalization."²

However, while accepting that the current phase of globalization represents a new departure, there is a political economy position that contradicts the optimism that usually accompanies globalization's free market interpretation. That is, the forces of globalization often produce unexpected and unwanted outcomes as they encounter other social systems. Rather than the anticipated virtuous circles of growth and prosperity that lead to orderliness, globalization tends to encourage new and durable forms of division, inequality and instability.³ Indeed, these unforeseen developments are themselves undermining the basis of global prosperity on which the neo-liberal project depends.⁴ This reinterpretation of globalization's effects can be called the "durable disorder" interpretation. These contesting interpretations—hyperglobalization and durable disorder—frame the paradox surrounding globalization.

A key aspect of the durable disorder analysis is the relationship between globalization and the changing competence of the nation-state. According to this viewpoint, the emergence of new supranational, international and local actors since the 1970s has increasingly qualified the capacity of the nation-state.⁵ While sovereignty remains important, these new actors have drawn out and appropriated state authority from above and below, as it were. The power of the IFIs to shape and even override national economic policy, for example, is well known. The same is true of international nongovernmental organizations (NGOs) and intergovernmental organizations (IGOs) in terms of their influence over the welfare policies of the countries in which they operate.⁶ Multinational companies also play a growing role in social policy. This is reflected in their increasing financial presence compared to that of states. During the 1990s, for example, private investment in emerging markets has significantly overtaken development assistance. In 1990, private investment represented nearly 60 percent of total development aid from the Organization for Economic Cooperation and Development (OECD); by 1996 private investment had increased to more than 430 percent of OECD aid. While development aid has been slowly declining since the early 1990s, this reversal is largely due to a massive eight-fold increase in private investment over the period. At the same time, within developing countries, local organizations together with newly privatized agencies and other commercial

actors have taken on a wide range of public roles formerly performed by the states themselves.

The changing competence of the nation-state is reflected in the shift from hierarchical patterns of government to the wider and more polyarchical networks, contracts and partnerships of governance. Although sovereignty continues to be central to national and international relations, the expansion of governance networks means that states are now part of a much wider and sometimes ill-defined structure of authority. Not only has decision making become more extenuating and equivocal, problems of accountability and the democratic deficit associated with governance networks have come to the fore.⁷ This can be seen, for example, in newly democratizing countries where, despite attempts to introduce political choice through multiparty elections, the neo-liberal macro-economic framework has been more or less fixed by external IFI and donor government agencies. In other words, economics has been elevated above political choice. Although assuming different forms in the North and the South,⁸ especially in relation to the opportunities open to political leaders in responding to globalization,⁹ the changing competence of the nation-state has global implications.

THE LIMITATIONS OF NEO-LIBERAL TELEOLOGY

In some respects, the free market hyperglobalization and political economy durable disorder views of globalization are complementary. Economic orthodoxy, for example, has traditionally focused its attention on reducing the role of the state. For market reform to have a lasting impact, achieving a minimal state has been a central policy objective. That globalization is synonymous with the increasing influence of non-state actors; the qualification of nation-state competence has therefore been welcomed by free market economists.

It is also possible however, to understand this transformation in ways that cast doubt on the neo-liberal position. The optimism that underpins economic orthodoxy stems from the assumption that globalism's new actors will inevitably follow the logic of *homo economicus*. That is, in any historical age and whatever the form of human society, a person will always find the hidden and ordering hand of the market at work. While the transition in the European East, for example, might be bumpy and even suffer occasional setbacks, this teleology dictates that the palliative benefits of liberalization will eventually prevail. The historic opportunities created will allow globalism's new actors to forge sustainable forms of economic growth and prosperity. It is an ideology that can excuse all manners of wrongs.

By using the symbolic discourse of neo-liberalism, rather than a virtuous circle of growth and stability, globalization is linked to the appearance of viable political complexes whose dynamic is contrary to that of a traditional liberal democracy. Even where democratic reforms have taken place, it has been argued that new forms of "illiberal democracy" are emerging.¹⁰ Leaders in many developing and transitional countries have advocated the need to act firmly to

ensure the success of liberalization. Whereas 40 or 50 years ago, their predecessors sought extraordinary powers to nationalize:

Today their successors seek similar powers to privatize the same industries.... Lending institutions such as the IMF and the World Bank have been sympathetic to these pleas and the bond market has been positively exuberant.¹¹

As a consequence, far from being in a transitional stage, it appears that many countries are settling into forms of authority that, while often having democratic procedures, nonetheless contain substantial degrees of *de facto* illiberalism.¹² From a neo-liberal perspective, global markets are converging and becoming more interconnected. At the same time, however, in many parts of the world, including Africa and the European East, conventional economic activity has collapsed. When taken together with the increasing significance of transcontinental criminal networks, in geographic or spatial terms, rather than convergence implying expansion, the conventional or formal world economy may actually be contracting and becoming more circumscribed.

The paradox of globalization lies in the prevalence of assumptions relating economic convergence with social and political order, while countervailing divisions and disorder are being forcefully reproduced on the ground. It inspires continued assertions of the neo-liberal faith in market expansion, which persists as the dominant view despite daily evidence of the complexity of transition and serial market failure.

MERGING DEVELOPMENT AND SECURITY

The inevitable tension between neo-liberal assumptions and the continual reappearance of destabilizing forms of political dynamism have played a crucial and formative role in the post-Cold War reworking of the politics of aid. Even if orthodox free market analysts have an unrealistic vision of the future, in the real world, aid and security agencies have little choice but to confront the effects of today's political instability. In the course of the 1990s, all major governments and aid agencies have accepted internal or intrastate conflict as an important issue in development and security policy. It is now widely acknowledged, for example, that conflict, with its propensity to target civilians and livelihoods, is an important cause of poverty.¹³

At the same time, poverty itself is argued to further exacerbate conflict. Consequently, donor governments,¹⁴ multilateral organizations,¹⁵ think tanks,¹⁶ IGOs¹⁷ and NGOs¹⁸ now readily accept the need to support long-term conflict prevention measures. This position is prominent, for example, in the British government's recent *White Paper on Eliminating Global Poverty*,¹⁹ which promotes political stability within and between states as an essential precursor for development. As a consequence of the link between poverty and conflict, groups that deal with the analysis or amelioration of conflict have burgeoned during the 1990s. However, as we will see below, although conflict has been

incorporated into mainstream policy, the prevalence of free market assumptions has reduced much of its significance.

The changing competence of the nation-state and its opening up to greater scrutiny and intervention by the transnational structures of emergent global governance has radically changed the perception of security. Rather than the interstate affair of the Cold War period, the idea of security today has been expanded to include matters relating to a country's internal affairs and how these can have regional or international destabilizing overspill effects. For example, considerations relating to the quality of local governance and human rights, economic policy, health and environmental questions, the extent of crime; population growth and levels of poverty help frame ideas of human or wider security.²⁰ Importantly, wider security has come to occupy the same terrain as development studies. In the language of international relations, what was once the low politics of development is now the high politics of leading states.²¹ Internal development issues have been globalized and invested with a new strategic significance. The attempt by the British Foreign Office, for example, to pursue an ethical foreign policy reflects this trend. In policy terms, development and security agendas have merged in the post-Cold War era. Development is now widely interpreted as vital for stability. Without stability, moreover, security is not possible. At the same time, security is a necessary precursor for development. In many respects, rather like the chicken and the egg, development and security have become synonymous in official policy documents and are almost interchangeable. While this merging is pervasive and greatly significant, it has received little analysis.

MARGINALIZING CONFLICT AND IGNORING ITS ACTORS

Although mainstream development policy has acknowledged the importance of conflict, conflict has been incorporated in a manner that understates its full significance. The reason for this relates to the paradox of globalization and the prevalence of neo-liberal interpretations. In policy terms, conflict has largely been understood in terms that do not contradict the case for liberalization and global deregulation.

Since the beginning of the 1980s, conventional wisdom has attributed internal war to scarcity and weak institutions; that is, to the negative interplay of poverty, environmental degradation and population growth with unrepresentative or corrupt institutions.²² Images of increasing resource competition coupled with governments unable or unwilling to mediate such clashes of interest are common. During the 1990s, this interpretation has influenced ideas of wider security and the nature of complex emergencies.²³ Regarding the actual outbreak and spread of violence, communication breakdown, ignorance and the resurrection of ancient animosities dominate literature on the subject.²⁴

While certain countries may be more prone to conflict than others, this paradigm supports the view that conflict is an essentially irrational phenomenon with localized origins. This approach emphasizes the need for new forms of surveillance and the ameliorative effects of early intervention.²⁵ Often using a

disease or public health analogy,²⁶ common discourse argues that it is easier to resolve and prevent conflicts from spreading if they are caught early. In summary, conflict is understood in mainstream thought in terms of multiple causes that stem from a developmental malaise compounded with ignorance and sectarian manipulation. Conflict is essentially irrational, backward-looking and associated with various forms of scarcity or breakdown.

Rather than question liberalization, conventional wisdom incorporates the view that free-market reform, in so far as it helps overcome scarcity through promoting growth, can itself contribute to conflict resolution and stability.²⁷ Most descriptions of contemporary conflict have little to say about possible adverse effects of globalization and liberalization. Since conflict is seen as a developmental malaise, with conflict representing a temporary phase in the development process, development itself will ultimately resolve the conflict.

Seeing conflict as a setback or transitory problem, however, has created a further paradox. Although conflict occupies an important place in aid policy, it is rare to find donor governments commissioning research on the mechanics of violence or the character of the actors or institutions involved. Since conflict is seen as a temporary problem, such work is unnecessary. Indeed, most policy documents about conflict begin with a few opening remarks describing conflict as a symptom of underdevelopment, with the bulk of the document devoted to policy prescriptions that derive mechanically from that assumption. Consequently, there are few studies on the political economy of rebel movements or so-called weak states embroiled in conflict. There are few studies on how such entities operate, the social characteristics of their elites, their real economic base, the political relations between elite and subordinate groups, the external networks of which they are part, supply and arms procurement methods, etc. While research and consultancy is burgeoning in the conflict and development fields, such basic texts on, for example, Jonas Savimbi's UNITA movement in Angola, the SPLA or the Iraqi state are noticeably absent. Due to the prevalence of neo-liberal interpretations of globalization and development, research in this field appears to be implacably fixed on anything but its natural object.

POST-NATION STATE CONFLICT

The study of war economies developed during the 1990s for a number of reasons. It is now commonplace to note that most conflicts and protracted political crises today do not occur between sovereign states, but are of an internal or regionalized type. Moreover, compared to conventional interstate wars, conflicts today are characterized by their longevity and socially divisive nature. While the exact number of such conflicts is arguable, long-term evidence suggests that their numbers have been increasing for the past several decades.²⁸ But the question of numbers is less significant than the far-reaching changes introduced by the end of the Cold War.

Internal forms of conflict, often termed national liberation struggles and geared to a process of state formation, existed during the Cold War. Superpower rivalry and, especially, the need to create or maintain political alliances meant that many warring parties attracted external patronage that was substantial in

some cases. The end of the Cold War ended this patronage, cutting the financial support for many violent actors.²⁹ The termination of external patronage has forced warring parties to develop their own means of economic sustainability. Reflecting the logic of globalization, this has often meant moving beyond the state in the pursuit of wider alternative economic networks. To the extent that this has been successful, contemporary conflict has assumed a protracted nature.

At the same time, state formation, at least in terms of attempting to reproduce traditional and inclusive forms of nation-state competence, has declined as a political project. The main consequence for the North is that the international community has found it harder to control or manage autonomous warring parties, who are now free from superpower patronage. This independence goes to the heart of the current security dilemma. An indication of this difficulty can be seen in relation to the drug trade. Despite a Northern consensus that seeks to eliminate the drug trade, it constitutes an estimated 8 percent of world trade and is still growing; thus, it represents the viable alternative means for funding conflict.

While globalization and liberalization have not caused these new forms of instability, market deregulation has made it easier for warring parties to develop the parallel or gray international linkages necessary for survival. Jonas Savimbi's UNITA movement in Angola reflects this transformation. During the 1980s, UNITA was based near the southern border with Namibia and relied on Cold War sponsored cross-border support from South Africa. Today it controls diamond fields in the north and has developed a ferocious independence based on a shifting pattern of transborder commercial linkages.³⁰ If Savimbi were the chairman of a multinational company overseeing such a transformation—apart from earning huge bonus payouts—he would have won international praise. Many qualified state entities (the so-called weak, failed or ethnocentric states of conventional wisdom) have followed similar successful trajectories.

Contemporary patterns and modalities of instability not only occur within states but across states and regions. These wider connections reflect the characteristics of modern-day war economies. They are rarely self-sufficient or autarkic after the fashion of traditional nation-state based war economies. To the contrary, while controlling local assets, they are heavily reliant on all forms of external support and supplies. Maintaining the political entities associated with post-nation state conflict usually requires transregional linkages. At the same time, the marketing of local resources and procurement of arms and supplies is based on access to global markets and, very often, transcontinental smuggling or gray commercial networks. In many respects, contemporary war economies reproduce the networked structures associated with globalization, such as parallel and transborder trade patterns.

THE PARADOX OF GLOBALIZATION REVISITED

The bulk of all transborder trade is in legal goods and, despite its informal or extra-legal nature, it is not usually associated with instability or conflict. It has

grown in response to the uncertainties and opportunities wrought by political change and globalization. However, the same forces of globalization that have encouraged parallel trade—particularly market liberalization and deregulation—have also made possible the expansion of economic activity that contributes to instability.

In some places, the control and manipulation of transborder trade has been crucial in defining alternative elite political strategies in the post-Cold War period. This includes fundamentalist,³¹ ethno-nationalist³² and resource-based alternatives.³³ The anti-free market and quasi-feudal tendencies associated with transborder trade find their most violent expression in contemporary forms of post-nation state conflict. In this respect, conflict places extra demands on transborder networks. For example, modern war economies are highly dependent on all forms of external support and trade networks for the marketing of resources or services in order to secure arms, fuel, equipment, spare parts, munitions, clothing, food aid, funding, etc.

In order to support such external networks, some war economies control and export high-value commodities such as diamonds, hardwoods, arms or narcotics. In other places, traffic in more mundane items such as household goods, furniture, vehicles, farm equipment, livestock, building materials and economic migrants is more common. In this respect, because of the need to maintain political patronage and support for new internal client regimes, patterns of conflict and trade are often inseparable from such things as forcible asset transfer between ethnic groups³⁴ or social cleansing.³⁵ Hence, post-nation state war economies often involve campaigns of immiseration and violent population displacement as an essential precondition of asset realization. Such developments therefore are not unfortunate or indirect consequences of conflict; they are usually its intended outcome.

Not only is it misleading to see internal war as abnormal or radically different from peace, conventional perceptions about the functions of conflict can also be challenged. In a well-known maxim, the military theorist Clausewitz characterized traditional nation state-based warfare as the continuation of politics by other means. The role of today's post-nation state conflicts, however, can be understood differently. They are not necessarily about winning or securing a comprehensive settlement. In the same way that transborder trade is part of an ongoing struggle for advantage and accumulation, conflict structured around such trade can have similar characteristics. In reviewing the many economic opportunities that contemporary conflict offers elite and sometimes even subordinate groups, Keen³⁶ has concluded that internal forms of war are now better understood as the continuation of economics by other means. While political agendas remain and are sometimes cogently expounded, these are often of a sectarian or exclusive nature. In the meantime, conflict and instability provide the dynamism through which such agendas and elite fortunes are maintained.

Post-nation state war economies are highly criminalized. Asset realization usually involves activities that breach local legal codes, and the resulting transborder trade contravenes international prescriptions. Unlike parallel trade in legal goods, war economies usually tap transcontinental smuggling and other

gray commercial networks to satisfy their needs. Today's warlords and failed states may act locally, but in order to survive they have to think globally. In this respect, the networked and internationally dependent nature of contemporary war economies has been greatly assisted by multinational corporations' and Northern governments' general failure to comply with international economic conventions.

In the early 1990s, for example, the Liberian warlord Charles Taylor (now head of state) was supplying, among other things, a third of France's tropical hardwood requirements through French companies.³⁷ UNITA's contribution to the ferocious war in Angola in the late 1990s has largely been underwritten by de Beers' no-questions-asked diamond buying policy and an unwillingness of many Northern governments to uphold U.N. trade sanctions.³⁸ The same patterns can be seen in the 1996 U.S. Iran-Libya Sanctions Act, which is being undermined by European and Asian oil companies that are anxious to secure lucrative contracts to pump Turkmenistan oil and gas across Iran.³⁹ Securing effective commercial and governmental compliance is difficult. The involvement by Northern companies who supply arms and munitions is perhaps better understood as an extreme example of the weak compliance that characterizes parts of the international business culture. Without their complicity, war economies would find it difficult to survive.

Given their high level of dependence on international trade networks, war economies are vulnerable to a concerted application of appropriate compliance and regulatory measures. Reducing the profitability and effectiveness of conflict-related transborder trade networks complements efforts to reestablish more conventional and peaceful relations within countries. The lack of attention to the transborder nature of war economies and their dependence on weak standards of Northern commercial compliance reflects the predominant free trade ethos. In the meantime, conventional wisdom characterizes conflict as development malaise, and attributes it to the breakdown in communication between groups. Consequently, conflict resolution concentrates on confidence building measures and attempts to reestablish an idealized social solidarity. In other words, it misses the point.

THE NEW DEVELOPMENT-SECURITY COMPLEX

Since war economies depend on extra-legal transborder trade, globalization and market liberalization have encouraged the conditions that create instability. In other words, the paradox of globalization is partly a consequence of the free market project itself. Deregulation coupled with the qualification of nation-state competence is helping war economies to expand. Rather than fostering development, reducing poverty and creating order, globalization has made possible overt political instability in the margins of the global economy.

The violence associated with post-nation state conflict is not a result of a developmental malaise or the reappearance of ancient tribal hatreds; rather it is based on contemporary structures and processes. At the same time, war economies are managed by elites who, in general, have a clear grasp of the

situation. While often devastating for subordinate groups, internal conflict is hardly irrational from the perspective of these actors. Transborder trade enables these elites to net considerable amounts of money. Between 1992 and 1996, for example, it is estimated that Charles Taylor made between U.S.\$400 and U.S.\$450 million per year from the conflict in Liberia.⁴⁰ Since 1992, UNITA has consistently controlled around 60 to 70 percent of Angola's diamond production, which has generated U.S.\$3.7 billion in revenue to date.⁴¹

This type of post-nation state conflict has important implications for the organizational characteristics of violence. New international and local actors have circumscribed the power of nation-state competence. This is something that has affected both North and South. Regarding the latter, transborder trade helped build up and project the influence of non-state and qualified state actors, such as warlord or mafia entities and the elites of so-called weak, ethno-centric or fundamentalist states. These new entities and structures add another dimension to the privatization of security.

While international security is being privatized and a new security community is emerging, extra-legal transborder trade has effected a corresponding and associated privatization of violence.⁴² In this respect, Varese has provided a useful analysis of the rise of the Russian mafia.⁴³ While Russia's economic reform in the mid-1980s created new owners of private property, a corresponding reform of the legal apparatus did not take place. The resulting vacuum within the Russian legal system, especially reflected in the inability of the central authorities to protect private property, encouraged Russia's emerging business elite to seek alternative forms of enforcement. This pressure coincided with the post-Cold War downsizing of the security establishment and the increasing availability of men trained in the use of arms. Demand met supply, and mafia groups providing private protection consequently expanded. These same networks constitute the regulatory and enforcement channels for business in Russia today.⁴⁴

While the example is specific to Russia, this model of the decentralization and reworking of power has a wider significance. Not only is it repeated in other parts of the European East;⁴⁵ it also has parallels in the effects of globalization on the status of legal authority. The rule of law and protection of customary rights has been an important casualty of the decline of the nation-state. In general terms, market deregulation enabled many Southern rulers to realize local assets on global markets. The growing tension around the land and the exploitation of its associated resources in many parts of the South is symptomatic of the new opportunities created by globalization. While the North is downsizing its various security establishments (but not necessarily their capability), subordinate groups in many parts of the South are rearming themselves with automatic weapons. Ambiguity over law and customary rights, exacerbated by market liberalization, has led many Southern subordinate groups to take the protection of their assets and livelihoods into their own hands.

While frequently interpreted as a growth in acts of banditry or lawlessness, forms of social exclusion, such as ethnic cleansing, also imply new forms of social inclusion. Some of the client regimes associated with emerging non-state and qualified state entities have been forged from the anxieties of subordinate

groups and their readiness at arms.⁴⁶ While the distribution of actual rewards within some of these entities may be narrow, they nevertheless have to operate within a system of patronage.⁴⁷ For many people, even sectarian or ethnocentric regimes provide the only form of protection they have in an increasingly uncertain world. From this perspective, war economies supported by extra-legal transborder trade circuits are also part of the privatization of violence.

The emerging political complexes⁴⁸ in the South are the counterpart to the growing involvement of NGOs, private protection companies and multinational companies acting in association with Northern governments in security matters. In other words, the conflict related non-state and qualified state entities supported by extra-legal transborder trade circuits constitute the violent analogue to the new security community. While this security community sees its mission as a response to instability, both the emerging political complexes and the security community have grown in parallel under the influence of globalization.

At the same time, however, while existing independently in space and time, the new security community and the emerging political complexes share many structural and organizational aspects. For example, there is a striking similarity between the Russian mafia and the new private security companies in the West. While the latter may claim greater respectability, the services they provide for commercial companies and their general operating environments are similar. Taking this point further, there are many overlaps between, say, UNITA's warlord structure and the South African-based private security company Executive Outcomes. This is especially the case when, in the past, both organizations have contested the same Angolan diamond fields. As non-state entities, moreover, none of these organizations and entities is covered by international legal conventions or other state-based forms of regulations.

During the heyday of U.N. system-wide humanitarian operations in Africa and the Balkans throughout the first half of the 1990s, little or no progress was made on the issue of U.N. relations with non-state actors. This was true despite the fact that most U.N. operations depended on negotiated access and agreements with warring parties to reach affected populations.⁴⁹ When the issue of formalizing relations with non-state actors was discussed among U.N. decision makers, it was invariably dropped for fear of creating precedents and weakening the principle of sovereignty. At the same time, the increasing *de facto* involvement of the international community with non-state actors, the growth of private security companies and the increasing involvement of multinational companies in conflict matters has yet to be thought through in terms of its profound implications for existing state-based charters, conventions and modes of regulation.

THE PRICE OF PROGRESS

Apart from regional differentiation and lack of consistency, the new security community has inaccurate assumptions about the nature of conflict and their

relation to contemporary war economies. They sit awkwardly, for example, with the analysis of post-nation state conflict given above. Far from reflecting a backward-looking developmental malaise, conflict is an expansive and adaptive globalized activity. But resolving this problem is not a question of substituting one set of assumptions for another. While this might help, the function of mainstream assumptions about conflict is not to provide an objective or value-free analysis of the situation. Rather, their function is to understand conflict in a way that serves the institutional needs of the development or security agencies involved. Stated in general terms, internal forms of warfare are regarded as irrational acts stemming from a developmental malaise because addressing such issues is precisely the role of development agencies. Problems are understood in terms of the means available to counter them.

Organizational agendas dominate conflict analysis, as seen in the pervasive imagery of conflict as a symptom of systemic or cultural breakdown. Affected countries are interpreted as moving from equilibrium to disequilibrium, with its attendant inflation, rising unemployment, decline in investment and so on.⁵⁰ In the social field, Mary Anderson's influential work, *Do No Harm*, divides societies into relations that bring people together and those that divide and separate. She argues that conflict and harmful aid practices strengthen the latter. Similarly, the collapse of communism in the European East is often alleged to have allowed suppressed and disruptive animosities and ethnic tensions to reappear.⁵¹ Robert Kaplan has extended this view to explain the demise of Africa's developmental states and the consequent emergence of destabilizing forms of cultural anomie.⁵² Images of conflict as destroying livelihoods, promoting poverty and generally encouraging social and cultural breakdown dominate mainstream thinking and policy pronouncements.⁵³

In many respects, such imagery is understandable. After all, conflict is a violent and destructive activity. However this imagery is not meant to focus attention on the victims of destruction. The growing international indifference to U.N. humanitarian appeals since the mid-1990s suggests that, while the level of international response to U.N.-consolidated humanitarian appeals has been declining, at the same time evidence of an emerging humanitarian conditionalism is growing. This suggests that the prevalence of images of conflict-related breakdown does not reflect a concern for the victims of the conflict. It reflects an instrumental way of understanding that primarily relates to securing organizational goals.

Depicting conflict in terms of breakdown transforms the crisis into an opportunity for the aid or security agency. The images of destruction wrought by conflict creates a carte blanche, either in a moral sense due to the excesses of the warring parties or, literally, as in parts of Africa where agency claims of social breakdown are common. The imagery of destruction justifies the aid agency's involvement and gives it the space to attempt to create new forms of social cohesion, ownership and pluralistic identity. Framing conflict as an extremely destructive phenomenon provided the aid agency with a mission statement.

This characterization is vital to how an agency competes with other agencies for donor government or IGO contracts. One of the more well-known

and opportunistic expressions of this process is the effort to make humanitarian assistance a developmental concern.⁵⁴ Free from the Cold War political logic that maintained a division between relief and development assistance, today's security community accepts open violence (where subordinate groups and their assets are regular targets) and protracted instability (where the same things happen to a lesser degree) as a development opportunity.⁵⁵

While geared to instrumental goals and organizational survival, the knowledge produced tells us little about the nature of conflict. Most aid agencies, however, persist in believing that their response is a mirror image of need and that there is a one-to-one relation between the two. From this perspective, the only useful form of knowledge is that which translates easily into a series of technical solutions. This greatly limits the usefulness of knowledge produced within governance networks. As development and security policy is increasingly transferred to a multiplicity of non-state actors linked by crosscutting and polyarchical networks, contracts and partnerships, decision making becomes increasingly difficult. International governance structures are consequently prone to stasis or entropy.⁵⁶

At the same time, under the influence of privatization and contract competition, research on conflict focuses on knowledge that is useful to aid efforts for fulfilling organizational agendas, rather than on understanding the actual source of conflict. This in turn further complicates governance relations. Conflict resolution was not any better or easier when states were more exclusively involved. It was, however, different. National interest represents a far wider constituency than an organizational agenda. Moreover, the national interest of nation-states, as the Vietnam War and the campaign against nuclear weapons indicate, was open to democratic criticism and opposition. In contrast, governance networks lack that kind of democratic element. At the same time, through subcontracting and decentralization, governance is a process of incorporation. An NGO, for example, engaged in attempts to support civil society in Bosnia, insofar as this action aims at promoting stability, is itself a de facto agent of Northern security policy.

Alternative assumptions about conflict resolution are possible. The adoption of these alternatives, however, is as much a matter of politics as it is establishing a better understanding of the nature of conflict. More research is needed on the nature of war economies, especially their transborder characteristics and the political projects they support. From a policy perspective, such knowledge would help improve commercial and governmental compliance in restricting destabilizing international trade circuits. This work complements and extends growing concerns about the negative social effects of unrestrained financial markets.

Not only is the casino economy of market liberalization capable of impoverishing whole countries; it has paradoxically also made possible the establishment of alternative and destabilizing forms of political economy. It has contributed to the depth and complexity of the security issue. At the same time, the new security community needs to be better understood. Since much of the

new security community lies outside existing international charters and mandates, it needs more attention. The debate on codes of conduct for example is already well developed among humanitarian agencies. The security community needs to adopt a similar approach. Meanwhile, we are stuck with the paradox of globalization; a paradox that rests on unfounded assumptions about conflict that have given rise to a batch of ineffective conflict resolution and social reconstruction measures. Millions of people around the world who are affected by war continue to pay the price. ■

NOTES

¹ World Bank, *The State in a Changing World: The World Development Report* (Washington, DC, 1997).

² David Held, David Goldblatt, Anthony McGrew and Jonathan Perraton, "The Globalization of Economic Activity," *New Political Economy* 2, no. 2 (1997): 257-277.

³ Philip G. Cerny, "Globalization, Fragmentation and the Governance Gap: Towards a New Medievalism in World Politics?" (paper presented at Workshop on Globalization: Critical Perspectives University of Birmingham, Department of Politics, March 14-16, 1997).

⁴ John Gray, *False Dawn: The Delusions of Global Capitalism* (Washington, DC: Granta Books, 1998).

⁵ Georgi M. Derlugian, "The Social Cohesion of the States," in *The Age of Transition: Trajectory of the World-System 1945-2025*, eds. Terence K. Hopkins and Immanuel Wallerstein (London: Zed Books, 1996), 148-177.

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