

## **Folke Bernadotte Lecture 31 May 2006**

### **Why a merger of peacebuilding and development would reform rather than transform war-torn societies**

Keeping the peace is more than a military operation, but it is remarkable how little we know about the economic contexts in which peacekeepers, police and civilians operate. Yet it is quite clear that exploited resources can perpetuate conflict, and that post-conflict economies are characterised by poverty, disrupted markets and production, unemployment and criminality. When I point out that criminal gangs perform social and economic functions in war-torn societies I'm not putting in a good word for the mafia. People will turn to any means to survive, whether it's growing poppy or selling black market cigarettes. And when unemployment among 16 to 24 year olds in Kosovo was estimated at about 70% in 2003, and when soldiers lose their jobs or pay, as in Timor Leste in May 2006, young men will find something to do that is not necessarily conducive to social reconstruction.

We know these issues are significant, but how can they be tackled? War-torn societies have particular developmental problems, but the favoured answers have been framed by the way that development has become a security issue.

### **The Merger of Security and Development**

The concept of security has been expanded. For example, security sector reform, covers not only DDR and physical protection by militaries and police, but the rule of law and building up institutions such as intelligence establishments, the judiciary and prisons. In its broad definition, favoured by Kofi Annan and the UNDP, security has been stretched horizontally to encompass economic development, social justice, environmental protection, democratization, disarmament, and respect for human rights.<sup>1</sup> The *Human Security Report* (2005) indicates that in a selection of (wealthy and middle income) countries, most people want their government to give priority to economic and social issues, way above terrorism. UNDP early warning reports also show that, after physical security, jobs are the top priority in countries recovering from conflict.

At the same time there has been a vertical stretching since the concepts of economic and financial interdependence gained ground after the second world war. Today, that interdependence is being expressed as the threat of underdevelopment. Reformers now adhere to the view that advanced capitalist centres and the poorest communities are mutually vulnerable. According to the High-level Panel Report (2005):

Today, more than ever before, threats are interrelated and a threat to one is a threat to all. The mutual vulnerability of weak and strong states has never been clearer...International terrorist groups prey on weak states for sanctuary...Civil war, disease and poverty increase the likelihood of state collapse and facilitate the spread of organized crime.<sup>2</sup>

But the representation of this vulnerability as symmetrical, equivalent and mutual narrates a largely false story. Far from symmetrical, the impacts of violence (whether terrorist or not), of HIV/Aids, of poverty, disease and disaster are completely asymmetrical. The number who have died from terrorism since 2000 is dwarfed by the 20,000 a day estimated to die from poverty-related causes. Nevertheless, the story of mutual vulnerability reinforces the need for liberal economic discipline and therapy for weak states and war-torn societies.

Linkage between development, the responsibility to protect individuals and communities within states and a more coherent approach to peacebuilding (through the Peacebuilding Commission) is certainly evident in the UN Secretary-General's Report, *In Larger Freedom* (2005).<sup>3</sup> This composition took its cues, not only from the Brahimi report (2000), but also from the High-level Panel Report and the Millennium Development Goals project led by Jeffrey Sachs, Kofi Annan's special adviser.

Critics point out that, in concrete practice, this merger is far from being realised, except in combating terrorism.<sup>4</sup> In the light of spoiler tactics at the UN summit in September 2005, the merger is more rhetoric than reality – to the point that mention of the MDGs was eliminated from the summit declaration. Nevertheless there is a widespread consensus that underdevelopment is a threat and therefore a security issue.

In fact a concrete proposal, called 'Developmental Peacekeeping' has been promoted in South Africa. Peacekeepers would be used to smash up war economies and enable developers to move in to install 'globally competitive peace economies'. It requires synergy between enforcement and development, with operations 'collapsed' together to mutual advantage.<sup>5</sup>

This ignores the unhappy history of using military force to affect economic production and exchange, as demonstrated *inter alia* by the invasion of the Ruhr to secure reparations in 1923. In some situations, illegal production and trade can be displaced elsewhere: anti-drug operations in Colombia shifted production to Peru and Ecuador.

More productive are anti-fraud and anti-corruption units operating in conditions of relative peace. It took years of painstaking work to uncover the Croat political-criminal network that led to the (poorly conducted) raids by SFOR on the Hercegovacka Banka in Mostar in April 2001. Even so, as the EU Customs and Fiscal Assistance Office in Bosnia has no doubt discovered, there can be a symbiotic relationship between political and business elites, and war entrepreneurs are often needed to deliver a peace process. In any case, serious enquiries would have to be conducted against the western merchants, banks and offshore havens that, in the name of the free market, benefit from an expropriation of wealth in the south and from war economies. Businessmen and multinational corporations illegally shift approximately \$1 trillion a year from the developing to the developed world, through tax and banking frauds and offshore tax havens.<sup>6</sup>

## Why doesn't the new consensus transform?

The difference between reform and transformation may seem obscure but it can mean the difference between a fragile or temporary peace and a sustainable one. Reform means changes to 'governing principles and procedures of institutions and structures'. Reform can certainly bring about change to benefit some people, usually governing elites and entrepreneurs. But transformation is required to change the structures and agencies of world order that would benefit the multitude. In other words transformation is a two-way phenomenon that requires change in the reformers as well as the reformed. There are at least three broad reasons why the new consensus fails to transform.

### *One-way, top-down solutions*

First, the current consensus is largely, though not entirely, one-way. The way out of the 'conflict trap', according to the consensus, is the regulation and control of the societies in conflict, rather than reform of the economic policies that dominate the world economy.<sup>7</sup> The Sachs report, *Investing in Development* does in fact declare a more even-handed approach, and its intentions are certainly more distributive than was the case with raw neo-liberalism. But the assumptions that lie behind the reforms are grounded in the current hierarchical system. Sachs equates economics with medicine in its scientific aspirations and curative properties.<sup>8</sup> Undeveloped peoples need medical/economic treatment, because responsibility for failures – corruption and bad governance – generally lies with the 'weak states'. This is not to excuse the abuses of local elites networked into the global economy. Corruption, abuse, torture, even genocide, are conducted by elites, rebels and followers against fellow inhabitants. Many casualties of war are perpetrated by governments against citizens. But this focus on 'the unruly' tends to create a silence around the actions and structures of 'the virtuous'.

Whether peacebuilding can transform also depends a great deal on what kind of economy of peace is introduced – and its rationale. Some cures are doctrinal, such as the insistence on both state and individual self-reliance. Others are hegemonic, such as the domination of labour markets by private security companies or large sums diverted into consultancies. Perhaps an extreme, but symptomatic, example of the way that aid can be subordinated to military activity is the pattern of development aid provided to Colombia. A significant proportion of it goes towards the relief of people deliberately and forcibly displaced by the US-backed war on drugs.

Other problems arise from top-down solutions. Historical analysis of development policy by Mark Duffield suggests that development fails when force is employed to ensure adherence to externally-determined development. Development is deprived of its voluntary, autonomous and organic growth, and is instead subject to imperatives that require disciplinary measures.<sup>9</sup>

Historically, also, when a concept of security and development has been resisted the perpetrators are labelled terrorists, thereby reinforcing the need for further discipline and the curtailment of political rights.

### *Economic rationalism*

Second, the consensus does not challenge the fundamental ideology that, in the words of Günter Grass, sees 'mankind as nothing more than something which consumes and produces'.<sup>10</sup> Admittedly, the Washington consensus that gave rise to structural adjustment programmes is now 'missing, presumed dead'. The Jeffrey Sachs team acknowledged that the shock of market therapy would not work for Africa, and urges instead a series of 'human security' measures, from debt relief to the provision of cheap, life-saving drugs. Nevertheless, embedded in the model are reformist assumptions. The problem of development is framed in terms of consumerism and integration into the world trading system. Sachs uses a second metaphor: the ladder of growth.<sup>11</sup> Poor communities need to get their foot on the lowest rungs and then climb up, for there is a common solution:

- 'Whatever one's motivation for attacking the crisis of extreme poverty... the solutions are the same. All that is needed is action';<sup>12</sup>

There are other assumptions that can be contested:

- entrepreneurial zeal is what drives human beings. But not everyone wants to be an entrepreneur and the assumption ignores values and influences that derive from belief systems, including religion.
- 'sound economic policy' is a matter of rationality. Rational economic management is assumed to work, though the structural adjustment programmes were supposedly rational yet had to be modified or abandoned. Economic growth in Africa, notably in Ghana, Tanzania and Mozambique is cited to support the rational management approach. However, some of the growth derives from high commodity prices, the benefits going into the pockets of intermediaries rather than being widely spread. And commodity inflation pushes up exchange rates, rendering exports more costly. The international financial institutions (IFIs) often insist on free trade so that imports are cheaper than the local products. Consequently, in countries as diverse as Iraq and Jamaica where sound economic policies were introduced with a vengeance, local production suffered. Moreover, growth rates often hide accelerating inequality, whereas aid and revenues directed at efficient social spending is likely to have a more direct impact on poverty reduction.<sup>13</sup>
- the MDGs are based on concrete targets. But these are dependent on questionable measurements. Survey questions are either highly technical or crudely answered. Consequently, tuberculosis rates are unreliable and the UN cannot definitively state, after 7 years of surveys, whether malaria is in retreat. In Africa and the Indian Ocean states, only Mauritius registers births and deaths in accordance with UN standards.<sup>14</sup> Nevertheless, statistical knowledge is privileged over knowledge derived from experiencing lack of self-respect, being deprived of participation in decisions, or resistance to technology because it threatens jobs.

### *Limiting the state's role*

Third, the formula privileges strong state structures to administer and regulate but not to lead. Indeed the small state in the economy is the preferred model. It seems to be assumed that the MDGs can be met without dirigisme in politics and state leadership in the economy. *Investing in Development* makes the point that:

- public investment should be used to establish market reforms. Public revenues, whether from donors or from governments in the south, should also be used to give private enterprise a leg up – an interesting interpretation of ‘free market’ entrepreneurship. The greatest emphasis by donors and the external agencies is placed on initiatives to improve the business environment in the context of macroeconomic stability for the purpose of securing foreign investment.

A final point about the role of the state relates to employment policies – the elephant in the corner that international experts seem reluctant to tackle creatively. International donors do fund labour retraining, micro-credits and the setting up of small and medium scale enterprises. But these measures tend to have a marginal impact on unemployment rates or even increase them because privatisation often results in shedding workers. Employment policies get a low priority, in spite of this being the chief priority of populations. One of the few initiatives we can analyse is the ‘Jobs and Justice’ programme of 2002 in Bosnia. But the ‘jobs’ part of the programme was a barely-disguised business investment charter that simply counted upon FDI and privatisation to somehow substitute for an employment policy. The programme’s authors even denied that the state could create jobs, conveniently forgetting that their own salaries were paid by states or intergovernmental institutions.

### **Conclusion: what could be done?**

There are no simple answers to issues of such global scope, only potential options that are often excluded from current orthodox frameworks.

First, transformative solutions would tackle the international structures that concentrate wealth and power. It is not just a matter of debt relief, an increase in aid and the incorporation of the MDGs into poverty reduction strategies, as the Sachs approach demands. Transformation would also entail transformation of the world trade system, of international aid and of the IFIs themselves. This is not to say that the IFIs have stood still. A comparison between the IMF’s policies in Bosnia and Herzegovina and then Kosovo, and then Afghanistan demonstrates an increasing sensitivity to the issues I have raised. But it could certainly be argued that such agencies currently fail some of the tests of good governance applied to undeveloped areas.

Second, policy-makers should be cautious about having the external security arm enforcing particular concepts of development. The merger of security (in the form of peace operations) and development (in the form of peacebuilding) serves to subordinate development to a security instrumentalism (dominated

by anti-terrorism). It becomes a means of addressing security threats through an economic development strategy that gives priority to therapy, medication and self-reliance.

Third, policies could allow more room for distributive justice and social spending. The poor do not benefit from policies of self-reliance and the privatisation of basic needs. Nor does persistent neglect of the public sphere improve social coherence or secure loyalty to institutions and authorities. Instead it can produce gross inequalities and gated enclaves of economic activity that are divorced from the social life of communities. An alternative may entail protection, at least for a time, from the worst socio-economic effects of integration with the global economy.

To conclude, building peace is a much broader issue than sending in peacekeepers. But in addition to protecting people from abuse, alternative forms of development to the western model of the 'free market' could be considered. These might be based, for example, on cooperative, collective and state led welfare and employment protection rather than self-reliant individualism. I was recently questioned by a politician for pointing out that no-one had come up with a definition of the 'free market'. Clement Attlee, he said, couldn't define an elephant, but knew one when he bumped into it. With due regard to changed circumstances, of course, maybe the Attlee elephant for post-war recovery might be usefully studied.

### **Acknowledgement**

The lecture was based on research conducted for the Transformation of War Economies project which benefits from an ESRC Research Grant: Res. 223-25-0071

### **NOTES**

<sup>1</sup> Kofi Annan, 'Towards a Culture of Peace', letter to future generations ([www.unesco.org/opi2/lettres/TextAnglais/AnnanE.html](http://www.unesco.org/opi2/lettres/TextAnglais/AnnanE.html)), 22 August 2001.

<sup>2</sup> United Nations, *A More Secure World: Our shared responsibility. Report of the High Level Panel on Threats, Challenges and Change*, United Nations, para. 21-27, p. 14-16.

<sup>3</sup> United Nations, *In Larger Freedom: towards development, security and human rights for all*. Report of the Secretary-General, UN doc. A/59/2005, 21 March 2005.

<sup>4</sup> International Peace Academy, *The Security–Development Nexus: Research Findings and Policy Implications*, programme report, New York, February 2006.

<sup>5</sup> Nozizwe Madlala-Routledge and Sybert Liebenberg, 'Commentary: Developmental Peacekeeping: what are the advantages for Africa?' *African Security Review*, vol.13, no.2, 2004, pp. 125-131.

<sup>6</sup> Raymond Baker, *Capitalism's Achilles' Heel: dirty money and how to renew the free-market system*, London: John Wiley & Sons, 2005.

<sup>7</sup> See, for example, Paul Collier, et al., *Breaking the Conflict Trap – Civil War and Development Policy*, Washington, DC and Oxford: World Bank/Oxford University Press, 2003.

<sup>8</sup> Jeffrey D. Sachs, *The End of Poverty: how we can make it happen in our lifetime*, London: Penguin, 2005, pp.18–25, 74–89.

<sup>9</sup> These are points in a forthcoming book by Duffield, but see also his *Global Governance and the New Wars: the merging of development and security*, London: Zed Books, 2001.

<sup>10</sup> Günter Grass, 'The high price of freedom', *Guardian* (Review section), 7 May 2005, p.5.

<sup>11</sup> The ladder metaphor is in Sachs, *The End of Poverty*, pp.18-20. The book takes a nuanced view of context-specific needs, but adheres to the contention that only one kind of economic system has worked, p.48.

<sup>12</sup> Millennium Project, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, Report to the UN Secretary-General, New York, February, 2005, p.1.

<sup>13</sup> Oliver Morrissey, 'Aid and Poverty reduction', *WIDER Angle*, UN University World Institute for Development Economics Research, No. 1, 2005, pp.1-3.

<sup>14</sup> Amir Attaran, 'An Immeasurable Crisis? A criticism of the Millennium Development Goals and Why They Cannot be Measured', *PLoS Medicine*, vol.2, no.10, October 2005 (on-line e318 at <http://medicine.plosjournals.org/perlerv/?request=get-document&doi=10.1371/journal>).