

Beyond greed and grievance – and not too soon . . .

A review essay

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- *Breaking the Conflict Trap: Civil War and Development Policy*, A World Bank Report (Washington, DC: World Bank/Oxford University Press, 2003).
- Karen Ballentine and Jake Sherman (eds.), *The Political Economy of Armed Conflict: Beyond Greed and Grievance* (Boulder, CO: Lynne Rienner, 2003).
- Michael Pugh and Neil Cooper with Jonathan Goodhand, *War Economies in a Regional Context* (Boulder, CO: Lynne Rienner, 2003).
- Ken Menkhaus, *Somalia: State Collapse and the Threat of Terrorism*, Adelphi Paper 364 (Oxford: Oxford University Press, 2004).

The ‘Greed Paradigm’ and the study of civil war

‘A useful conceptual distinction in understanding the motivation for civil war is that between greed and grievance’.¹ Thus wrote Paul Collier in 1999. Drawing on statistical data of civil wars since the mid-sixties, his conclusion at the time was stark and unequivocal: ‘grievance-based explanations of civil war’ were ‘seriously wrong’.² In seemingly uncompromising terms, he argued instead that the key to understanding why such wars erupt lay in greed and the quest for loot by rebel actors. It most certainly was not to be found in self-serving ‘narratives of grievance’ or in any claim on the part of insurgents to be fighting for justice.³ The likelihood of greed-driven wars breaking out was particularly high, Collier suggested further, in countries that relied heavily on primary commodity exports, had a surfeit of young, unemployed and poorly educated men, and were experiencing a period of rapid economic decline.⁴ This, in short, was the ‘greed thesis’ of contemporary civil wars.

As Karen Ballentine and Jake Sherman’s unusually rich and intellectually nourishing collection of case studies on the political economy of armed conflict makes clear, the explanatory power initially given by Collier and others to the exploitation of natural resources by rebel groups for purposes of self-enrichment as

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¹ Paul Collier, ‘Doing Well out of War’, in Mats Berdal and David Malone (eds.), *Greed and Grievance: Economic Agendas in Civil Wars* (Boulder, CO: Lynne Rienner, 2000), p. 91.

² *Ibid.*, p. 96.

³ *Ibid.*, p. 92. See also Paul Collier, ‘The Economic Causes of Civil Conflict and Their Implications for Policy’, in *Turbulent Peace: The Challenges of Managing International Conflict* (Washington, DC: USIP, 2001), in which he argued that ‘grievance is to a rebel organisation what image is to business’, pp. 145–7.

⁴ Collier, ‘Doing Well out of War’, p. 110.

the *principal* cause and driver of civil wars, has had a marked impact on international policymaking towards civil wars, especially within the United Nations (UN).⁵ UN-sponsored efforts to reduce trade in 'conflict goods' and other measures to undermine the capacity for income generation by rebel movements can be traced back, at least in part, to the widespread acceptance of greed- and rebel-centric explanations for civil wars. More specifically, since the late 1990s, actions by the Security Council relating to Angola, Sierra Leone and the Democratic Republic of Congo (DRC) have all been shaped by the assumptions governing the greed thesis.⁶ In Sierra Leone, an embargo was placed by the Council on the export of diamonds from the country in July 2000 and this was later extended to neighbouring Liberia (the first instance of UN-imposed 'secondary sanctions'). In Angola, a similar effort was made by the Council in June 1998 to curtail the export of diamonds from rebel-controlled parts of the country.⁷ In both cases, the Council was hoping, by means of targeted commodity sanctions, to weaken the financial resources of the main insurgent groups, the *Revolutionary United Front* (RUF) in Sierra Leone and the *União Nacional para Independência Total de Angola* (UNITA) in Angola.

It would be wrong, of course, to attribute the widespread acceptance of the greed thesis in policy circles to academic papers and World Bank reports alone. To many, the focus on economic motivations – however problematic the greed thesis in its pure form is now acknowledged to be – offered a valuable corrective to theories that sought to explain civil wars *solely* 'by reference to its irrational and essentially inexplicably primordial qualities'.⁸ These were prominent, even dominant, in the discourse on civil wars in the first half of 1990s. On closer inspection, however, they frequently turned out to be empirically unsustainable, highly impressionistic and, in some cases, downright suspect.⁹ Aspects of Western media reporting on African conflicts – especially the popular fascination with the opulence, extravagance and rapacity of colourful and unsavoury 'warlords' – no doubt also played its part in drawing attention to the predatory behaviour of insurgent groups, as did the tireless and effective advocacy work of single-issue NGOs concerned with the illegal extraction of natural resources. But perhaps the most important factor behind the initial attraction of the greed thesis, as Ballentine and Sherman perceptively note, was the statistical analysis and social-science methodology in which it was steeped, which had the effect of simplifying the complexity of conflicts confronting policymakers. This was, of course, also part of its attraction to social scientists committed to

⁵ Karen Ballentine and Jake Sherman (eds.), *The Political Economy of Armed Conflict: Beyond Greed and Grievance* (Boulder, CO: Lynne Rienner, 2003). The book (henceforth *Beyond Greed and Grievance*) is the concluding volume in a three-year research programme on *Economic Agendas in Civil Wars* organised by the International Peace Academy and directed by Karen Ballentine. For details of the programme and associated research reports see (www.ipacademy.org).

⁶ Karen Ballentine and Heiko Nitzschke, 'Policy Lessons from Studies in the Political Economy of Armed Conflict', *IPA Policy Report* (October 2003), p. 4.

⁷ See UN Security Council Resolutions 1173 (Angola), 1306 (Sierra Leone) and 1343 (Liberia). For an excellent assessment of the impact of commodity sanctions see Charlie Cater, 'Rethinking the Critical Cases of Africa', in Ballentine and Sherman (eds.), *Beyond Greed and Grievance*, pp. 19–47.

⁸ Michael Pugh and Neil Cooper with Jonathan Goodhand, *War Economies in a Regional Context* (Boulder, CO: Lynne Rienner, 2003), p. 97.

⁹ An oft-cited example of this kind of writing is Robert Kaplan's article for *The Atlantic Monthly* in February 1994, evocatively entitled 'The Coming Anarchy'. Another variant has been the idea of a 'new barbarism' at work in many of today's war-zones. For a discussion of these see Pugh and Cooper, *War Economies in a Regional Context*, pp. 18–19 and pp. 96–7.

rational-choice theory and wedded to the belief that only 'scientific' methods can help us unravel the mysteries of the social world. To the policy community, the reduction of a conflict to a struggle over economic resources also reduced, at least in theory, the policy challenge. Identity-driven conflicts, involving subjective and elusive categories such as ethnicity, religion, ideas and history, are by definition hard to resolve and do not provide obvious entry points for policy intervention. By contrast, economic resources and assets appear, in principle at any rate, to be 'divisible', thus opening the possibility for achieving peace 'through technical measures that in the short- to medium-term will reduce both the accessibility and profitability of lucrative economic resources to combatant groups'.¹⁰

Not surprisingly, Collier's original thesis powerfully stimulated academic debate about the troubling persistence and, in several instances, the violent intensification, of civil wars after the Cold War.¹¹ Indeed, the books under review suggest that his initially crude and simplistic polarisation of 'greed' versus 'grievance' has served a useful heuristic purpose in sharpening debate and, above all, in encouraging qualitative and more historically informed research into ongoing civil wars. The results of this research are now beginning to emerge, and if there is *one* theme that unites all four books under review – including *Breaking the Conflict Trap*, a much publicised World Bank Policy Research Report authored by Paul Collier and a team of associates – it is that the conceptual distinction between greed and grievance is *not* in fact terribly useful, either in explaining the motivation or persistence of civil wars. As with other more recent works by Collier, *Breaking the Conflict Trap* signals a definite shift away from the earlier emphasis on the 'motives of rebel actors' to the 'opportunity for organised violence' and the 'feasibility of rebellion . . . regardless of motivation'.¹² The World Bank report still emphasises how the 'lethal cocktail' of economic decline, dependency on primary commodities and low per capita income places countries at 'high risk of civil war'.¹³ But on the question of causal connections, the tone is notably different from the greed thesis of the late 1990s. 'While the prevalence of natural resource secessions suggest that greed cannot be entirely discounted', the report notes, 'it does not appear to be the powerful force behind rebellion that economic theorists have assumed'.¹⁴

Leaving behind the crude and unhelpful juxtaposition of greed versus grievance, and putting to rest the deeply flawed notion that civil wars are caused by rebel greed alone, is certainly to be welcomed.¹⁵ *Beyond Greed and Grievance* is properly

¹⁰ Ballentine and Nitzschke, 'Policy Lessons', p. 14.

¹¹ For an excellent overview of that debate, see David M. Malone and Heiko Nitzschke, 'Economic Agendas in Civil Wars: What We Know, What We Need to Know', Discussion Paper no. 2005/07 (WIDER: United Nations University, April 2005).

¹² Ballentine and Nitzschke, 'Policy Lessons', p. 4. Pugh and Cooper also draw attention to the shift in Collier's work towards an emphasis on the increased *scope* for violent conflict in the contemporary era. See Pugh and Cooper, *War Economies in a Regional Context*, p. 22.

¹³ *Breaking the Conflict Trap: Civil War and Development Policy*, A World Bank Report (Washington, DC: World Bank/Oxford University Press, 2003), p. 4.

¹⁴ *Ibid.*, p. 64.

¹⁵ In truth, greed-based explanations were recognised at the outset as being deeply problematic and several of the articles that appeared alongside Collier's aforementioned piece (fn. 1 above) in *Greed and Grievance* stressed the *interaction* of political and economic agendas in armed conflict. See, in particular, David Keen, 'Incentives and Disincentives for Violence', in Berdal and Malone (eds.), *Greed and Grievance*, pp. 31–5.

concerned with the 'relative weight of economic factors vis-à-vis the role played by other political, cultural, and strategic factors in shaping the incidence, duration, and character of intrastate wars'.¹⁶ It is a perspective which flows naturally from the book's chosen approach: a series of detailed, historically informed and carefully researched case studies that go beyond the better-known cases of Angola, Sierra Leone and the DRC to include armed conflicts in Colombia, Nepal, Bougainville, Kosovo, Sri Lanka and Burma. Each of these case studies offers specific, at times counter-intuitive, insights into the economic dimensions of contemporary armed conflict. Taken together, they all point to a fundamental limitation with the body of literature that relies *primarily* on rational-choice theory and statistical methods to capture the dynamics of violent conflict. Though usually presented as a commitment to greater precision and 'objectivity' in the analysis of conflict and, no doubt, helpful in revealing general trends, such methods inevitably end up presenting a static, culturally blind and profoundly ahistorical picture of civil wars. It is one of the major contributions of *Beyond Greed and Grievance* to remind us of this limitation and, equally important, to stress that it remains a limitation even though the emphasis on 'greed' has now been downplayed in favour of an emphasis on the increased 'opportunity' for rebellion. 'Whether cast in terms of motive or opportunity', inferences drawn from statistical analysis remain 'probabilistic statements of risk rather than factual descriptions of actual conflict dynamics'.¹⁷ To be sure, *Breaking the Conflict Trap* is rich in statistical analysis and much of it, especially that which documents the social, economic and 'legacy' costs of civil war, is excellent and well worth assembling in one volume. Clearly, documenting these costs is what the World Bank is there to do. It is difficult to escape the conclusion, however, that with respect to the truly interesting questions – the interaction of greed and grievance, what triggers and sustains civil wars, how and why they mutate over time – quantitative analysis is of distinctly limited utility.¹⁸ This is of course hardly surprising: statistical analysis, though often *deceptively* precise and impressive (for example, 'The typical country reaching the end of a civil war faces around a 44 per cent risk of returning to conflict within five years'.¹⁹), tells us very little about individual cases and actual conflict dynamics. Without denying its potential value, Ballentine and Sherman seem to get the balance just about right: 'while statistical methods are a useful way

¹⁶ Ballentine and Sherman, 'Introduction', in Ballentine and Sherman (eds.), *Beyond Greed and Grievance*, p. 5.

¹⁷ *Ibid.* For a more detailed critique of rational-choice theories of conflict, emphasising how they 'violate the complexity of individual motivation, razing the individual (and key groups) down to monolithic maximising agents', see Chris Cramer, 'Homo Economicus Goes to War: Methodological Individualism, Rational Choice and the Political Economy of War', *World Development*, 30:11, p. 1846.

¹⁸ One difficulty, highlighted by the case studies, is that statistical analysis necessarily involves choices about empirical data that might leave out what, on the face of it, looks highly relevant. For example, as Alexandra Guáqueta notes, Collier and Hoeffler 'arrived at their conclusion on natural resources and conflict without ever incorporating illegal commodities into their statistics'. Such commodities, most obviously narcotics, have been central to the political economy of armed conflict in Afghanistan, Colombia, Lebanon, Burma and Peru. See Alexandra Guáqueta, 'The Colombian Conflict: Political and Economic Dimensions', in Ballentine and Sherman (eds.), *Beyond Greed and Grievance*, p. 90.

¹⁹ *Breaking the Conflict Trap*, p. 83.

of identifying key variables across a class of cases, at best they generate broad correlations that illuminate only part of the picture'.²⁰

None of this is to suggest that the increased attention given to economic agendas in the study of civil wars over the past decade or so has been misplaced. Indeed, *Beyond Greed and Grievance* and *War Economies in a Regional Context* both show that the dynamics of many contemporary civil wars – especially their protracted nature and marked tendency to mutate over time – can only be fully understood by references to global and regional economic changes which, though they sometimes originate in the 1970s and 1980s, accelerated dramatically in the 1990s. What, then, are the principal findings to emerge from the case studies?

The political economy of armed conflict

On the central question of causes and triggers of conflict, the conclusion is unambiguous: contemporary civil wars simply cannot be reduced to 'resource wars' sparked by the predatory designs of governments and/or the actions of greedy, loot-seeking rebels. The evidence presented all indicates that:

... economic incentives and opportunities have not been the only or even the primary cause of these armed conflicts; rather, to varying degrees, they interacted with socio-economic and political grievances, interethnic disputes, and security dilemmas in triggering the outbreak of warfare.²¹

The emphasis placed on the *interaction* of economic and political agendas, on the impossibility of neatly separating them as analytical categories, also applies to instances where a country's chief economic resource has been central to a violent conflict, as in Bougainville where the Panguna copper mine was at the heart of the separatist conflict between 1988 and 1997.²² It also applies to Angola, Sierra Leone and the DRC; the three cases that have figured most prominently as examples of greed-driven conflict involving rebel exploitation of natural resources. In the case of Angola, as Charlie Cater notes, 'high levels of commodity dependence did not initially cause civil war; instead, increasing reliance upon natural resources by both the state and UNITA has been a consequence of protracted conflict as other sectors of the economy were progressively destroyed'.²³ Likewise, nepotistic exploitation and endemic mismanagement of natural resources by the State contributed to the build-up of grievances and resistance to central government in Sierra Leone and the DRC. It was only later, however, that 'the commonly asserted pattern

²⁰ Ballentine and Sherman, 'Introduction', in Ballentine and Sherman (eds.), *Beyond Greed and Grievance*, p. 5. It should be added here that questions have also been raised about the data sets on which some of the conclusions in *Breaking the Conflict Trap* rest. See in particular Astri Suhrke, Espen Villanger and Susan Woodward, 'Economic Aid to Post-Conflict Countries: A Methodological Critique of Collier and Hoeffler', CMI Working Paper 4 (Bergen: Chr. Michelsen Institute, 2005), also available at (www.cmi.no/publications). See also James Fearon, 'Primary Commodity Exports and Civil War', *Journal of Conflict Resolution*, 49 (August 2005), pp. 483–507.

²¹ Karen Ballentine, 'Reconsidering the Economic Dynamics of Armed Conflict', in Ballentine and Sherman (eds.), *Beyond Greed and Grievance*, p. 260.

²² See Anthony J. Regan, 'The Bougainville Conflict: Political and Economic Agendas', in Ballentine and Sherman (eds.), *Beyond Greed and Grievance*, pp. 133–67.

²³ Cater, 'Rethinking the Critical Cases of Africa', p. 29.

of natural resource exports financing insurgency [became] a salient dimension of these conflicts'.²⁴

Yet, while it is true that economic factors alone cannot account for the behaviour or explain why and when violence erupts, it is equally the case that, once civil wars have broken out, their logic and trajectory cannot be understood without an appreciation of the economics underpinning them. And here the weight of the evidence provided by *Beyond Greed and Grievance*, reinforced by the regional studies presented by Michael Pugh and Neil Cooper (Central Asia, West Africa and South-eastern Europe) as well as by *Breaking the Conflict Trap*, suggest that the longevity, internal logic and, indeed, the ferocity of civil wars have all been affected by the greater ease of access to economic and financial resources that belligerents, whether governments or rebels, have enjoyed in the 1990s. Specifically, the case studies bring out the skill and ingenuity with which non-state actors and corrupt rulers have been able to exploit opportunities presented by the processes of economic globalisation. The latter include the deregulation of international financial markets and key industries (such as the airline industry) and, more generally, the opening up of new and the expansion of older markets of all kinds. Ease of access to these markets, as well as to *illicit* markets in drugs, human trafficking and arms, have been greatly facilitated by the increasingly close engagement of belligerents with international criminal networks. A notable feature of this engagement has been the symbiotic relationship between political elites and criminal organisations that frequently crystallises in 'transition' countries, be it transitions from war to peace or from authoritarian rule.²⁵ The upshot has been, in many but not all of the cases examined, to make economic motives and incentives more salient. Rarely, however, has the resulting process of *conflict transformation* involved a simple displacement of political, ideological or other agendas in favour of purely economic ones.

A fascinating case in point, illustrating the effects of global economic processes on armed conflict in the 1990s, is provided by Alexandra Guáqueta's study of the violent course taken by the forty-year old civil war in Colombia. Until 1992, the conflict, pitting Left-wing guerrillas – *Fuerzas Armadas Revolucionarias de Colombia* (FARC) and *Ejército de Liberación Nacional* (ELN) – against the state, was 'relatively contained'.²⁶ Since then, however, the civil war has seen a dramatic intensification, resulting from the combined pressures of 'globalisation, economic recession, and expanded access to international flows of funds and weapons'.²⁷ According to *Breaking the Conflict Trap*, an estimated US\$500 m per year flows into the coffers of FARC owing to its control of drug cultivation; another US\$200 m is obtained from extortions and kidnappings.²⁸ Likewise, the principal paramilitary group on the Right – *Autodefensas Unidas de Colombia* (AUC) – derive some 70 per cent of its

²⁴ Ibid.

²⁵ For an example of this in the context of Bosnia and Herzegovina, see Pugh and Cooper, *War Economies in a Regional Context*, especially pp. 170–6. Roy Godson uses the term 'political-criminal nexus (PCN)' to describe this phenomenon of semi-institutionalised collaboration between the criminal fraternities and political elites. Roy Godson, 'Transnational Crime, Corruption, and Security', in Michael Brown (ed.), *Grave New World* (Washington, DC: Georgetown University Press, 2003), pp. 259–78.

²⁶ Guáqueta, 'The Colombian Conflict', p. 73.

²⁷ Ibid.

²⁸ *Breaking the Conflict Trap*, pp. 76–7.

income from coca-leaf and poppy production.²⁹ This injection of funds and weapons in the 1990s has fuelled an escalation of the war, causing it to assume a more virulent and destructive form. One element of this mutation has been the splintering and fragmentation of the parties to the conflict as local economic agendas have become more significant; a finding that corresponds to those of other case studies, notably from Africa.³⁰ At the same time, as Guáqueta is keen to stress, the conflict cannot be said to have been fundamentally transformed from a 'largely ideological and political dispute to an economically driven war in which opportunity for combatant self-enrichment has become paramount'.³¹ The issue at the heart of the conflict is still about 'determining who exercises political power, redressing historically rooted socio-economic grievances of marginalised classes, and competing ideas on the type of political and economic system Colombia should have'.³² Thus while the economic agendas of belligerents have evolved and assumed greater importance in the 1990s, they cannot be abstracted from the political, ideological and deep-seated historical divisions that remain at the core of the conflict. As such, the Colombian conflict shows – as indeed do all of the cases examined in depth in these volumes – how unhelpful is the analytical distinction, not only between greed and grievance, but also between the so-called 'New Wars' of the 1980s and 1990s and 'Old Wars' (this notwithstanding the highly stylised nature of the latter category).

War Economies in a Regional Context, another first-rate addition to the burgeoning literature on the political economy of armed conflict, is less concerned with the impact of *global* economic processes on conflict than it is with intra-regional linkages of various kinds – economic, military, political, criminal and social – that cut across national borders and help sustain armed conflict.³³ Pugh and Cooper seek to capture these conflict-enabling networks in the notion of 'regional conflict complexes'; a term usefully translated by Goodhand in his study of Afghanistan as, basically, a "'bad neighbourhood" that connects . . . conflicts within [a] region'.³⁴ Whatever the description, the phenomenon itself is real enough and is typically characterised by:

. . . the cross-border spill over of violence, the empowerment of borderlands as sanctuaries for combatants and nurseries for recruits and also as centers of shadow economic activity, and the intraregional commercial and other connections that make for prolonged and intractable conflict.³⁵

Of particular interest, and clearly deserving of more research and policy attention, is the notion of 'marginalized borderlands', that is, areas that serve 'as reservoirs of violent resistance to the reassertion of central state sovereignty or function as "no-go areas", marked by internecine warfare between armed faction'.³⁶ Examples of

²⁹ Guáqueta, 'The Colombian Conflict', p. 90. The AUC emerged in the early 1980s as a kind of umbrella organisation for right-wing paramilitary groups in Colombia.

³⁰ Mats Berdal, 'How "New" are "New Wars"? – Global Economic Change and the Study of Civil Wars', *Global Governance*, 9:4 (2003).

³¹ Guáqueta, 'The Colombian Conflict', p. 74. Supporting this conclusion, see also Francisco Gutiérrez Sanín, 'Criminal Rebels? A Discussion of War and Criminality from the Colombian Experience', Working Paper no. 27 (DESTIN: Crisis States Research Centre, London School of Economics, April 2003), (<http://www.crisisstates.com/Publications/wp/wp27.htm>).

³² *Ibid.*, p. 73.

³³ Pugh and Cooper, *War Economies in a Regional Context*, pp. 24–40.

³⁴ Jonathan Goodhand, 'Afghanistan in Central Asia', in Pugh and Cooper, *War Economies in a Regional Context*, p. 45.

³⁵ Pugh and Cooper, *War Economies in a Regional Context*, p. 2.

³⁶ *Ibid.*, p. 3.

borderlands where violent conflict, albeit at different levels of intensity, have been prominent include those of Afghanistan; the Ferghana Valley in Tajikistan, Uzbekistan, and Kyrgyzstan; the Presevo Valley in southern Serbia and the territory along the Kosovo-Macedonian border; and the Kivu region in eastern Congo bordering Rwanda. An obvious policy implication that flows from Pugh and Cooper's analysis of regional war economies, and especially of marginalised borderlands, is the absolute need for external actors (including the UN in West Africa at the moment) to place supposedly 'civil' or internal wars firmly within their wider regional context.

Diaspora income and violent conflict

A major contribution of the qualitative case studies presented in *Beyond Greed and Grievance* is that they qualify and, in some cases, directly challenge conclusions that they have too readily and uncritically been accepted by policymakers as fact and conventional wisdom. A telling illustration of this concerns the precise role of diaspora and migrant communities in sustaining insurgencies back in their home countries; a subject that has attracted considerable interest on the part of Western governments (especially that of the US) following the events of 11 September 2001 and the determination to target terrorist financing worldwide.

The emerging wisdom on the subject, attributable in part to its prominence in writings on 'New Wars', is that diasporas are 'dangerous'.³⁷ Paul Collier, writing in 2001, listed 'large diasporas' as one of four 'significant and powerful predictors of civil war'.³⁸ *Breaking the Conflict Trap* also makes the point that 'statistically, . . . diasporas increase the risk of a return to violence'.³⁹ *Beyond Greed and Grievance* suggests that the relationship between diaspora remittances and armed conflict is much less straightforward. The fact is that the impact of diaspora and migrant remittances on conflict is highly context-specific: it *can* fuel conflict but it can also act as a brake on violence and mitigate destabilising socioeconomic tensions and divisions within a society.⁴⁰ Thus, the elaborate overseas support structure set up and carefully nurtured by the Liberation Tigers of Tamil Eelam (LTTE) unquestionably provided vital economic support from diaspora communities for the movement's military struggle. As Rohan Gunaratna shows, overseas income – by one estimate as much as 60 per cent of its overall income – enabled the Tamil Tigers 'to pursue a more direct and high-intensity campaign against the Sri Lanka state security forces'.⁴¹ One cannot from this comparatively well-documented case, however, draw the conclusion

³⁷ Collier, 'The Economic Causes of Civil Conflict', p. 155.

³⁸ *Ibid.*, p. 161. On assistance provided by diaspora communities as an aspect of 'new wars', see Mary Kaldor, *New and Old Wars: Organized Violence in a Global Era* (Cambridge: Polity Press, 2001), p. 7 and pp. 103–5.

³⁹ *Breaking the Conflict Trap*, p. 85.

⁴⁰ For a discussion of the positive role that diaspora communities can play in the transformation of conflict, see Wolfram Zunzer, 'Diaspora Communities and Civil Conflict Transformation', Berghof Occasional Paper no. 26 (September 2004), (www.berghof-center.org). See also Patricia Weiss Fagen, 'Diaspora Power: Network Contributions to Peacebuilding and the Transformation of War Economies', Paper presented at Conference on the Transformation of War Economies, University of Plymouth, 16–17 June 2005.

⁴¹ Rohan Gunaratna, 'Sri Lanka: Feeding the Tamil Tigers', in Ballentine and Sherman (eds.), *Beyond Greed and Grievance*, p. 209.

that flows of diaspora income generally pose a 'problem' because they are somehow inherently conflict-generating.⁴² In most cases, diaspora remittances perform legitimate and, indeed, vital humanitarian functions. And, even during conflict, as the case of Kosovo appears to indicate, its role on the dynamics of conflict is 'ambivalent' and may evolve or even change radically in response to changes in political context. According to Alexandros Yannis, the Dayton Accord in 1995, which brought the war in Bosnia to an end, also changed the role played by diaspora income in the simmering conflict in Kosovo:

As long as remittances [which accounted for roughly half of Kosovo's GDP] were controlled by Rugova's Kosovo Republic, they appear to have played a conflict-averting role in underwriting badly needed social welfare services, thereby enhancing the attractiveness of Rugova's non-violent approach to independence. Once captured by the KLA, however, remittance flows helped finance the armed struggle.⁴³

The importance of these findings is far from purely academic. In conflict zones where international aid has dried up and donor fatigue has set in, diaspora revenues may well provide an essential source of sustenance to marginalised and dispossessed groups. In these circumstances, curtailing the flow of funds from expatriate communities and overseas networks would have adverse humanitarian consequences. Indeed, it may well end up increasing violence and armed conflict by encouraging predation on vulnerable civilian populations. Somalia provides a case in point: a country heavily dependent on diaspora income and one identified by some Western governments as a potential source of terrorism. According to Ken Menkhaus, Somalia's economy 'stays afloat principally on the half-billion or more dollars in remittances which annually flow back from the large Somalis diaspora',⁴⁴ and targeting this would have catastrophic consequences given the paucity of aid now coming into the country.

This more complex set of connections between diaspora income and violent conflict only serves to reinforce a wider lesson to emerge from all of the books under review: qualitative case studies show that the processes and phenomena with which scholars and policymakers are grappling in the study of civil wars – say, the impact of diaspora remittances, humanitarian aid or even 'globalisation' on conflict – are dynamic and context-dependent and their role in sustaining conflict is therefore neither given nor self-evidently 'good' or 'bad'.⁴⁵ Jake Sherman's study of Burma, for example, leads him to conclude that the economic agendas of belligerents, far from

⁴² It should be noted in this context that the role of the Tamil diaspora in support of the LTTE has few, if any, parallels. According to a study by RAND the 'LTTE's experience is not typical, but rather represents the apex of how an insurgent organisation can exploit a diaspora for its own ends'. Daniel Byman, Peter Chalk et al., *Trends in Outside Support for Insurgent Movements* (Santa Monica, CA: RAND, 2001), p. 42.

⁴³ Ballentine and Nitzschke, 'Policy Lessons from Studies in the Political Economy of Armed Conflict', p. 9 and Alexandros Yannis, 'Kosovo: The Political Economy of Conflict and Peace Building', in Ballentine and Sherman (eds.), *Beyond Greed and Grievance*, p. 175.

⁴⁴ Ken Menkhaus, 'Vicious Circles and the Security-Development Nexus in Somalia', *Journal of Conflict, Security and Development*, 4:2 (2004), p. 41.

⁴⁵ Along with diaspora income, humanitarian aid has also been identified by writers on 'new wars' as 'an important source of income for warring parties' (Kaldor, *New and Old Wars*, p. 10). Again, a closer look at the evidence, suggests that this is also far too sweeping a generalisation. See David Shearer, 'Aiding or Abetting? Humanitarian Aid and its Role in Civil War', in Berdal and Malone (eds.), *Greed and Grievance*, pp. 189–205. See also findings of Jane Hoverd, 'Humanitarian Action in Bosnia: A Study of the Office of the High Commissioner for Refugees, 1991–1999', Ph.D. thesis, Oxford University, 2001.

promoting and stimulating conflict, can also serve to mitigate tensions and reduce violence. 'Contrary to the prevailing wisdom', he suggests, 'the prospect of reaping the financial benefits of natural and other resources may aid rather than hinder conflict reduction'.⁴⁶ The example of Burma raises a key question about the extent to which the dynamic nature of modern war economies challenge existing approaches and modes of thought among external actors – be they donor countries, NGOs or international organisations – regarding the effectiveness of outside intervention in civil wars. The most challenging and thought-provoking answer to this question is provided by Ken Menkhaus' excellent study of protracted state collapse in Somalia.⁴⁷

Rethinking state failure

The central thesis of *Breaking the Conflict Trap* is neatly encapsulated in the title of the report: countries experiencing civil war 'are at high risk of becoming caught in a conflict trap in which war wrecks the economy and increases the risk of further war'.⁴⁸ War undermines or 'retards' development and in so doing creates the conditions for further violence whilst diminishing the prospects for 'sustainable development'. The result is effectively to lock countries into a downward spiral of arrested development and war from which it is impossible to escape unaided. As Menkhaus has observed elsewhere, 'much of the discourse on contemporary post-conflict assistance' (especially, it should be added, among aid agencies and donor countries) 'reflects this view of war-torn countries caught in a tangle of vicious circles, with failure reinforcing failure'.⁴⁹ Against this conventional and widely held view, his study of state failure in Somalia raises some rather fundamental questions. As with political-economy perspectives on civil wars, Menkhaus implicitly questions the unqualified assertion in *Breaking the Conflict Trap* that 'war retards development, but conversely, development retards war'.⁵⁰ At one level the proposition is undeniable and the statistical data provided by the World Bank clearly backs it up. But this 'evidence' does not shed much light on the manner in which war and violence also generate 'alternative systems of profit, power and protection'.⁵¹ What Menkhaus does is precisely to explore these alternative systems and his findings are all the more noteworthy given Somalia's unenviable reputation – in the public imagination as well as in policy and academic circles – as a paradigmatic case of state collapse.

⁴⁶ It should be added that Sherman is careful to stress that the resulting peace is, to use conflict-studies terminology, a 'negative' one. Still, it remains the case that the economic motives of the parties to the conflict lead them to see a major advantage in a reduction and not the continuation of violence. Jake Sherman, 'Burma: Lessons from the Cease-Fires', in Ballentine and Sherman (eds.), *Beyond Greed and Grievance*, p. 225.

⁴⁷ Ken Menkhaus, *Somalia: State Collapse and the Threat of Terrorism*, Adelphi Paper 364 (Oxford: Oxford University Press, 2004).

⁴⁸ *Breaking the Conflict Trap*, p. 1.

⁴⁹ Ken Menkhaus, 'Vicious Circles', p. 150.

⁵⁰ *Breaking the Conflict Trap*, p. 1. For political-economy perspectives challenging this view of war as no more than a breakdown of 'normal' peacetime conditions, see the writings of David Keen, especially *The Economic Functions of Violence in Civil Wars*, Adelphi Paper 320 (Oxford: Oxford University Press/IISS, 1998).

⁵¹ Mats Berdal and David Keen, 'Violence and Economic Agendas in War: Some Policy Implications', *Millennium*, 26:3 (1997), p. 797.

Somalia: State Collapse and the Threat of Terrorism does not for a minute suggest that lasting peace and country-wide security have returned to Somalia after the bloody civil war and international intervention of the early 1990s. The study, based on extensive field research into local governance in five regions of southern Somalia, does show, however, that the nature of Somalia's state collapse has changed radically over the past decade. Crucially, 'far from sinking into complete anarchy, Somalia has seen the rise of substate polities, some of which have assumed a fragile but nonetheless impressive capacity to provide core functions of government'.⁵² Central government may not have been revived, but a 'mosaic of local polities and informal social pacts' has evolved 'to provide Somali citizens with some level of "governance", if not "government"'.⁵³ While the municipal neighbourhood levels have seen the greatest amount of change in terms of improved governance, different degrees of 'sub-national governance' have also emerged across the country. In some cases, notably the secessionist and unrecognised state of Somaliland, these polities have acquired systems of administration and rule of law that out-perform many of Africa's recognised states.

Developments in local governance over the past decade or so also help to explain the striking success of the disarmament and demobilisation of ex-combatants in Somalia since 1994; striking because it has occurred in the absence of central government, unaccompanied by security-sector reform and national reconciliation, and without any assistance from external actors. This self-generated demobilisation process has resulted in a dramatic improvement in public order and security. Again, it is necessary to stress, as Menkhaus is careful to do, that Somalia is still in need of increased security and outside assistance. Yet, the in-depth analysis of developments on the ground, down to the district, municipal and neighbourhood levels, suggests that the notion of a self-perpetuating crisis may not always be appropriate. 'Crises which at the first glance appear to be a manifestation of a "conflict trap" may in fact be in a state of evolution, with the potential to produce new social orders out of chaos'.⁵⁴ Rather than thinking of complex emergencies as 'conflict traps', Menkhaus employs an alternative metaphor: a *cyclone*, that is, a violent storm that 'feeds off itself in the fashion of a vicious circle, but in the process alters its own environment in ways which can eventually weaken if not extinguish it'.⁵⁵

One of the virtues of the analysis provided by Menkhaus is that it offers by far the most persuasive explanation for the abysmal record of outside involvement in Somalia since 1994, in the course of which more than a dozen internationally sponsored peace and mediation initiatives have seen the light of day only to fall apart ignominiously. Focused, as nearly all of these initiatives have been, on recreating a strong centralised state, they have been profoundly misguided. Indeed, by concentrating on re-establishing a formal central government – which historically in Somalia, as well as in a depressingly large number of other countries around the world, has been *the* main source of predation and human-rights violations – the 'worst instincts of Somalia's political and economic elites' have only been reinforced.⁵⁶ The legacy of those failed attempts leads to a final conclusion; one

⁵² Menkhaus, *Somalia: State Collapse*, p. 11.

⁵³ *Ibid.*, pp. 19–20.

⁵⁴ Menkhaus, 'Vicious Circles', p. 163.

⁵⁵ *Ibid.*, p. 153.

⁵⁶ Menkhaus, *Somalia: State Collapse*, pp. 82–3.

whose implication for Western state-building projects elsewhere is well worth pondering: 'Until Somalia's central government is revived, the outside world would advance its own interests and those of the Somali people by learning to deal with stateless Somalia on its own terms, not by insisting that Somalia representatives remake themselves in our likeness'.⁵⁷

The international system remains, in crucial respects, stubbornly state-centric and dealing with 'statelessness' may be easier said than done (as indeed Somaliland and other de facto states that have been denied international aid and assistance have found out for themselves). Nonetheless, for all those who emphasise rebuilding the State as the key to overcoming protracted violence, Menkhaus' findings should not be ignored. His study of developments in Somalia since the end of the civil war offers three insights of wider relevance to the continuing discussion of 'failing states' and the role that external intervention – whether by coercive or consensual means – can play in mitigating their consequences. The first is the distinction he draws between central government and local governance; categories that are too often conflated or lumped together in writings on state failure and state collapse. Second, and closely related, he emphasises the importance of recognising and, where appropriate and feasible, working with the 'mosaic of local polities and informal social pacts' that invariably emerge out of the apparent anarchy of war and protracted conflict. Finally, the case of Somalia should, if nothing else, induce humility on the part of those who still believe in quick, low-cost and externally-imposed fixes to deep-seated problems of political transition, legitimacy and development in many parts of the world.

⁵⁷ *Ibid.*, p. 64.