

This special Alumni edition of the IDS Bulletin explores selected aspects of the relationship between globalisation, security and development. The topic addresses growing concerns about the negative effects of globalisation on the world's poor, in particular the way in which poverty undermines human security and contributes to conflict in the developing world and the emerging markets of the former Communist world (Annan 2000; DFID 2000)

Globalisation has become one of the most written about concepts in recent times and has been widely used to explain the causes and effects of most aspects of life at the turn of the century (Hutton and Giddens 2000; Held *et al.* 1999; Hirst and Thompson 1996; Kofman and Youngs 1996; Ohamae 1995; Guehenno 1995; Giddens 1990). While open to different interpretations, globalisation captures a description of the widening and deepening of economic, political, social and cultural interdependence and interconnectedness.

Rapid global integration has been facilitated by technological developments in information, communications and transportation (ICT) systems that have reduced the previous time/space barriers defining the nature of commercial transactions, geo-spatial boundaries and political and cultural identities. Integration was also enhanced by the ending of the Cold War, which brought the former Communist world into the global capitalist system, and by the market liberalisation and deregulation policies championed by the dominant global economic institutions, the International Monetary Fund (IMF), World Bank and World Trade Organisation (WTO).

The combined forces of the ICT revolution and market liberalisation have had an unprecedented effect on global output, trade and capital mobility. Global gross domestic product (GDP) has increased ninefold over the past fifty years, more than \$1.5 trillion is now exchanged daily in the world's currency markets, and nearly a fifth of the goods and services produced each year are traded. World trade at \$7 trillion per annum accounted for 21 per cent of global GDP in the 1990s compared with 17 per cent of a much smaller GDP in the 1970s. Foreign direct investment at \$400 billion in 1997 was seven times the level in real terms than in the

Introduction Globalisation and Insecurity

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1970s. International bank lending grew from \$265 billion in 1975 to \$4.2 trillion in 1994 (UNDP 1999). These notable achievements underlie the strong support for neoliberal policies amongst the major trading nations, who have reaped the lion's share of the rewards and benefits of globalisation.

Globalisation has not yet achieved the economic convergence that was anticipated by many supporters of economic liberalisation in the early 1990s. In fact, the many countries in Latin America, Sub-Saharan Africa, Eastern and Central Europe have reaped little benefit from globalisation. Rather they have experienced an increase in poverty, mass unemployment, social fragmentation and political instability (UNRISD 2000; UNCTAD 2000; UNDP 1999).

The exclusion of a large section of the global population from the benefits of globalisation has been recognised as one of the major challenges of the new century (DFID 2000; Annan 2000; UNDP 1999). The United Nations Secretary General, Kofi Annan, in his report to the Millennium Assembly stated: 'The central challenge we face is to ensure that globalisation becomes a positive force for all the world's people, instead of leaving billions of them behind in squalor' (Annan 2000). The failure to deliver a more equitable distribution of the benefits of globalisation is likely to have dire consequences for the stability of the world order. The Department for International Development (DFID) warns that 'Making globalisation work more effectively for the world's poor is a moral imperative. It is also in our common interest. Many of the world's contemporary challenges – war and conflict, refugee movements, the violation of human rights, international crime, terrorism and the illicit drugs trade, the spread of health pandemics like HIV/AIDS and environmental degradation – are caused or exacerbated by poverty and inequality.' (DFID 2000)

The dichotomous nature of globalisation – its inclusive/exclusive dynamics, and its simultaneous impetus towards integration and fragmentation – has contributed to a volatile and unstable global order. At a structural level these trends have exacerbated tensions between, on the one hand, the centres of wealth and power that have so far gained from globalisation and, on the other, broad swathes

of global society that are condemned to remain marginalised and impoverished at the periphery of the global system (Rogers 2000; Cox and Sinclair 1996; Slater 1996).

Promoting an effective and inclusive global economic system is an essential prerequisite for conflict prevention, conflict mediation and effective peace-building (DFID 2000). But if international efforts to redress global inequalities and conflict are to succeed, there needs to be a firm foundation of knowledge about how insecurity and conflict arise and interact with the forces of globalisation. In the following pages we take a tentative step towards unravelling these complex links. The eclectic collection of articles is designed to stimulate debate and further research into the complex relationships between globalisation, security and development, both to clarify policy options for international and local actors and to redefine relevant conflict prevention, conflict resolution, and post conflict reconstruction strategies.

1 Globalisation

Globalisation is not a new concept or phenomenon, but the current phase has distinctive features. Technological developments have decisively compressed the traditional barriers of time and space. Information can be transferred from one side of the world to another in real time, creating global simultaneity. This has enabled production to be structured in global factories, linking workers across the world. Electronic retailing has enabled just-in-time stocktaking and production that transcend geo-spatial boundaries. In the financial sector rapid communications have linked capital markets across the world resulting in a twenty-four-hour global financial market. Improved air transportation allows for the physical transference of people and goods from one location to another with unprecedented ease. The Internet enables cyber communities to flourish, creating or reinforcing trans-border identities. In the military area, over-the-horizon weapon systems utilising a combination of satellites, communication and computer systems can hit targets on the other side of the world, breaking down territorial notions of warfare. The result is that across the spectrum of human endeavour traditional boundaries and identities are breaking down. These technologically

-induced transformations are fact, but the processes and practices that accompany the global diffusion of technology are a matter of policy choice.

Neoliberals claim that globalisation is enhanced through the subjugation of people and states to market liberalisation and deregulation, privatisation and economic integration (Ohamae 1990, 1995). The global spread of capitalism reinforces the sense of an emerging global civilisation defined by universal standards of economic and political organisation. This global civilisation is effusive with its own instruments for global governance, whether in the form of the IMF, the WTO or markets. These institutions promulgate the neoliberal discourse on globalisation and, via their considerable international leverage, have incorporated most of the developing world and transition economies into the post-Cold War liberal order. Accordingly, globalisation is the harbinger of a radical new world order which presages the demise of the nation-state, as market liberalisation and deregulation shift the relationship between markets and the state, and between states and super-state structures such as multilateral organisations and transnational corporations (Strange 1996).

Sceptics such as Hirst and Thompson view this notion of globalisation as illusory, arguing that the international economy is no more integrated now than the world economy was in the nineteenth century. It is, however, increasingly segmented into three powerful trading blocs, centred on North America, Western Europe and Japan, in which the state remains strong and highly regulatory. The benefits of ITC developments are concentrated in these already wealthy and powerful states to the exclusion of the rest of the world (Hirst and Thompson 1996). This sceptical position acknowledges the deeply-rooted patterns of inequality and hierarchy in the global economy. Such inequality contributes to the advance of fundamentalism and nationalism, so that, contrary to the neoliberal notion of the emergence of a homogenised culture, the global order is fragmenting into civilisational blocs and ethnic enclaves.

Analysts such as Giddens and Rosenau regard globalisation as historically unprecedented in that states and societies across the globe are encountering a process of profound change as they

adapt to a more interconnected but highly uncertain world (Rosenau 1998; Giddens 1990). The previously clear distinctions between international and domestic, external and internal affairs, are breaking down on such a scale that the global order is being profoundly transformed. According to this viewpoint, where this transformation is leading is unclear, as globalisation is a long historical process with many contradictory characteristics. Nevertheless, new patterns of global stratification are emerging, in which some states and societies are becoming increasingly integrated into the global order, while others are becoming increasingly marginalised. Power, functions and authority are being re-engineered away from the nation-state and onto the international stage in the form of international law and new economic and political organisations, whose authority transcends national boundaries. Complex global systems, from the financial to the ecological, connect the fate of communities from one locale to another across the globe. In this account, globalisation is associated with the unravelling of the relationship between sovereignty, territoriality and state power.

One thing common to all these accounts of globalisation is that there is a new global order and one in which technology and market liberalisation are the drivers of change. Dispute arises over the outcome of these processes, over distributional questions and over whether the current configuration of globalisation enhances or undermines global stability.

2 The Neoliberal World Disorder

Discourse on globalisation is prolific and subject to much contestation, but the dominant discourse that informs the policies and practices of the powerful multilateral institutions such as the IMF, World Bank and WTO is structured by neoliberal ideology. And it is this ideology that is re-ordering the world according to its principles and dictates.

The institutions of global economic governance rely on neoclassical general equilibrium models in support of their policies and practice. An additional set of arguments derived from Schumpeterian ideas about innovation, economies of scale, the positive effects of monopoly power and the inefficiency of

marginal cost pricing have been applied to fortify the neoliberal position.

In their interventions these institutions lay stress on the reduction of the role of the state in economic management, both at the national and international level. In an unregulated economy with maximum competition, relative price and profit signals create micro-economic efficiency, encouraging resources to flow to their most productive uses. Competitive pressures also keep factor costs in equilibrium, creating the conditions for full employment and optimal capacity utilisation. In an unregulated free market environment inflation control becomes the only legitimate macro-policy objective. Neoliberals achieve inflation control through monetary rather than fiscal policies, preferably instituted by an independent Central Bank free from state control. According to Says Law, when fully liberalised, global financial markets should allocate world savings efficiently. Real interest rates should decline, investment should rise and the flow of funds from the capital-rich North to the resource-rich South should increase. Replacing previous models of state economic management with liberalised markets is thus designed to improve output and productivity growth rates in the less developed world. Through these mechanisms it is believed that economic convergence will be achieved between the North and the South.

This neoliberal model of development has all but replaced the developmental state model that was widely utilised in the 1960s and 1970s and that still presides in a few states in East Asia. The move away from the developmental model, which reinforced the role of the state in economic affairs, is ideologically based rather than being determined by the efficacy of one model over another. The tremendous developmental and security gains made by the highly interventionist East Asian states up to the 1997 financial crisis gave testimony to the efficacy of the developmental state model. Yet this model has been eschewed in favour of a model that has far less record of success in generating development or security.

Neoliberalism as it informs orthodox development theory is characterised by the significance attached to private property, market relations and acquisitive individualism. Initially it was introduced to the

developing world through the implementation of structural adjustment policies with their established practice of devaluation, increased producer prices, reduced wage bills, elimination of subsidies and privatisation of state-owned assets. More recently the boundaries for intervention have been significantly extended to include good governance, which includes support for strengthening the judicial system, election monitoring, administrative decentralisation, security sector reform, budgetary transparency and accountability and the enhancement of civil society. No longer is neoliberal intervention restricted to the soundness of economic policy and the need to roll back the state; it has been extended to advocating the nature and structure of governance itself.

Neoliberal policies may have speeded up the integration of global markets, but their policies have created a highly polarised global economy in which the rich have got richer and the poor have got poorer. The UNDP's *Human Development Report 1999: Globalisation with a Human Face* has captured the indices of inequality and marginalisation within the global economy. More than eighty countries have per capita incomes lower than they were a decade or more ago. The income gap between the fifth of the world's population living in the richest countries and the fifth in the poorest was 74 to 1 in 1997, up from 60 to 1 in 1990 and 30 to 1 in 1960. This polarisation of income is reflected in the fact that by the late 1990s the fifth of the world's population living in the highest income countries benefited from 86 per cent of global GDP, 82 per cent of world export markets and 68 per cent of foreign direct investment (FDI), while the bottom fifth received just 1 per cent of global GDP, 1 per cent of world export markets and 1 per cent of FDI (UNDP 1999).

At the same time, the opening up of markets has exposed people from diverse communities around the world to risks and vulnerabilities over which they have no control. Financial volatility is a case in point. The liberalisation of financial markets has been highly destabilising, exposing vulnerable economies to financial crises, which have occurred with increasing frequency and intensity over the last ten years. These include the ERM crisis of 1992–93, the Mexican tequila crisis of 1995, the East Asian crisis 1997–98, the Russian crisis of 1998, the

Brazilian crisis of 1999 (Mussa 2000; Swartz 1998; Watkins 1997). The sudden disruption to people's patterns of daily life caused by these crises have effected fundamental threats to the human security of many people in these societies.

The rise in political instability and reversal of development gains that have occurred as a result of global financial volatility constitute the most alarming aspect of global developments at the turn of the century. For instance, the catastrophic events that unfolded in the East Asian financial crisis wiped out two decades of development gains for certain sections of the population in the region, contributing to growing levels of economic insecurity (Ranis and Stewart 1998). The economic contraction affected the lives of millions, aggravating social vulnerabilities. The ensuing social crisis caused the biggest setback for poverty reduction for several decades (ILO 1998; Robb 1998; World Bank 2000). The social crisis had many dimensions: falling incomes, rising absolute poverty and malnutrition, declining public services, threats to educational and health status, increased pressure on women and increased crime and violence (Robb 1998; ILO 1998). The subsequent political instability rocked previously stable regimes and intensified ethnic rivalries. In Indonesia, the worst-affected country in the region, there has been a fundamental breakdown in social order as an increasingly fragile social equilibrium was brought under intolerable stress by the collapse of the economic and political systems.

The deep cleavage between the rich and poor and the effects of the neoliberal global order on the lives of millions of people in the global periphery represent a deep form of structural violence that lies at the heart of the current global system (Rogers 2000; Cox and Sinclair 1996; Slater 1996). Slater (1996) argues that the neoliberal order has in effect instituted a strategy of structural re-subordination of the South to the North. Structural adjustment has simultaneously dismantled the economic role of the state and engineered a massive redistribution of financial resources from the South to the North. Rogers (2000) posits that the neoliberal economic system embodies a form of social injustice that has produced a 'revolution of unfulfilled expectations', culminating in the insurgencies and instability in Latin America, North Africa and the Middle East

and East Asia. He cites the Chiapas movement in Mexico, which has a clearly articulated agenda against the effects of neoliberal reforms. Attraction to movements like Hamas in the Middle East can also be explained by disaffection from a global order predicated on social exclusion and disarticulation. In a similar vein, Cox argues that the confrontation precipitated by globalisation presages a new synthesis, in which economic efficiency serving the social goals and enhancing the identities of certain self-defined global elites has created new sources of opposition from diverse social movements around the world – such as democratisation movements, women's groups and environmental groups – all of which strive to exert greater control over their own lives. To these should be added the anti-globalisation movement, which exploded on the global stage in Seattle in 1999 and which linked the concerns of the 'rebellious' South to those of dissident groups in the North. These social movements provide the basis for an alternative vision of economic order, social justice and ethics in a global context that challenges the dominant neoliberal discourse.

3 Globalisation and Human Insecurity

In a world in which traditional boundaries, identities and the role of the state are breaking down, established concepts of security that emphasise territoriality and nationhood have been found wanting. Globalisation, via its dichotomous process of integration and fragmentation, has generated new security challenges that are beyond the capabilities of individual states to control. In developing countries, where the state was already weak, the role of the state has been eroded to the point at which it can no longer extend the provision of basic public goods such as welfare and stability. The consequence has been the corrosion of social cohesion and stability.

In this globalising context there has been a search for a new notion of security that can capture the vulnerabilities of people and communities to the forces of change. The outcome of this search has been the development of the concept of *human security*. This is defined in the UNDP *Human Development Report 1994* as: safety from chronic threats of hunger, disease and repression; and

protection from sudden and hurtful disruptions in the patterns of daily life – whether at home, at work or in the community. The loss of human security can be a slow, tacit process or an abrupt crisis. Humans may be responsible for the threats due to bad policy choices, or threats may occur through the forces of nature. Alternatively, threats may arise as a result of a combination of the two; for example, environmental degradation caused by human action may lead to natural disasters, followed by human tragedy. Threats to human security are thus multi-dimensional and include:

- Economic insecurity;
- Food insecurity;
- Health insecurity;
- Physical insecurity;
- Environmental insecurity;
- Community and cultural insecurity;
- Political insecurity.

A distinguishing feature of the human security approach is its concern with 'structural violence' emanating from non-territorial security threats. This focuses attention on the right of individuals to experience freedom from fear, hunger, torture, unfair imprisonment, domestic violence and rape. It embraces the idea that each human being or community has a right to a certain quality of life, and anything that enhances the quality of life; for example, economic growth, improved access to resources, or social and political empowerment, is an enhancement of human security. Conversely, anything that erodes a person's or community's quality of life erodes their basic right to security. It is in this sense that the deregulated and marketised global economy has become a primary source of human insecurity for millions of people around the world through its erosion of economic security, fragmentation of communities, undermining of social cohesion and detrimental effect on the environment.

The relationship between globalisation and economic insecurity is taken up in Raphael Kaplinski's article 'Globalisation and Economic Insecurity'. Kaplinski explores the causal link between growing levels of economic insecurity and the sustainability of globalisation. Profound structural change is occurring as countries participate more deeply in the global economy. But

the reduction in barriers to inter-country flows of finance, banking deregulation and the abolition of capital controls and the development and utilisation of new technologies have contributed to greater economic volatility, which in turn has affected individuals and the economic security of whole communities. Although the causal link between globalisation and poverty is less obvious, Kaplinski argues that the growth of global competition, particularly labour intensive activities, has driven down wage rates for unskilled labour. With regard to poverty and income distribution, the opening up of markets, while allowing the holders of scarce skills to benefit from the rewards of globalisation, has led to an increase in the economic insecurity and marginalisation of the less skilled. Actual or perceived levels of economic insecurity have contributed to an outbreak of anti-globalisation protests around the world, the most conspicuous of them taking place in Seattle against the WTO in 1999. In his concluding remarks, Kaplinski suggests that economic insecurity may prove to be the Achilles' heel of contemporary globalisation.

Kaplinski's article highlights one of the great dichotomies of globalisation: its power to simultaneously integrate and fragment whole economies and communities. The dichotomy between integration and fragmentation is nowhere more apparent than in the transition economies of the former Communist world. The fall of the Berlin wall in 1989 and the end of the Cold War removed the political and economic barriers to the global spread of capitalism. More than 400 million people in Eastern Europe and the Commonwealth of Independent States (CIS) and almost 1.3 billion people in China and Vietnam began to experience the process of market liberalisation and deregulation. For the vast majority of these people the experience has been one of rising levels of economic and human insecurity.

Thomas Lines in his article 'At Peace But Insecure: The Paradoxes of Post-Soviet Life', provides a case study of the impact of market liberalisation in the CIS since the end of the Cold War. This region of the world has been undergoing a profound process of internal change via the re-introduction of market relations, re-entry into the international economy and the formation of new state structures. This abstruse internal transformation has coincided with

the powerful external forces of change endemic to globalisation. The net effect of these combined forces on the ordinary citizen in the CIS is that they have become poorer, they have lost previous entitlements to employment, housing, education, healthcare and pensions and they have been exposed to rising levels of violent crime for the first time in their lives. The overriding sense has been a loss of human security. Moreover, the weakness and instability of the successor states have compromised even the political security gained through the collapse of Communism, as states have become corrupt and the forces of global markets have undermined sovereignty.

4 Globalisation, Conflict and Violence

Deregulation and market liberalisation have rolled back the role of the state on a spectrum of issues in such a serious manner as to subvert the capacity of the state to control and protect the internal life of society (Falk 1997). The general weakening of the state has also contributed to the contestation of state legitimacy, particularly in regions where statehood was already weak and had been structured through the external and coercive influence of colonial states (of both Soviet and Western forms). Collapsing states, defined by Zartman (1995) as 'a situation where the structure, authority (legitimate power), law, and political order have fallen apart', are becoming increasingly common in the developing world. From Sierra Leone to the Democratic Republic of Congo and from Indonesia to Colombia the social cohesion of societies has fragmented, human insecurity is growing and social unrest, violence, crime and armed conflict are on the rise.

Susan Willett, in her article 'Insecurity, Conflict and the New Global Disorder', attempts to identify the economic structural causes of conflict by examining the link between globalisation, poverty and conflict in the least developed countries (LDCs). She argues that the failure of neoliberal policies to facilitate sustainable development, combined with the protracted debt crisis, has exacerbated poverty and economic marginalisation, closing off formal economic opportunities to a large proportion of the population in LDCs. The simultaneous collapse of states and thus the rule of law have created an

environment conducive to the incubation and intensification of crime, violence and conflict, as groups compete in a Darwinian bid for economic survival. Over time these responses have matured into structures and cultures of violence that have become firmly embedded in the global economy, albeit in the black and grey areas of global economic transactions. They survive via international criminal networks based on drug and human trafficking, gun smuggling, money laundering and illicit commodity trading, e.g. diamonds, human parts, rare woods and the parts of endangered species. These economic transactions derived from war and crime are as much a feature of globalisation as formal trade and investment. Willett concludes that these types of conflict are unlikely to be eradicated, unless a new model for the global economy is adopted that simultaneously promotes more sustainable forms of development, placing human security at the centre of its value system.

Mary Kaldor and Robin Luckham in their article 'Global Transformations and New Conflicts', focus more on the political causes of conflict, which they argue are to be found in the heritage of authoritarian and repressive forms of political culture. The forces of globalisation have interacted with these political dynamics to transform the nature of conflict in the post-Cold War era. The weakening of the state in the periphery has eroded its traditional monopoly of violence and encouraged a growth in the sub-contracting out of military functions to private security firms and mercenaries. Accountable only to their paymasters, mercenaries pose a notorious threat to human security. They also have an economic incentive to prolong violence and undermine peace initiatives. Deregulated markets and innovations in communications systems have also contributed to the changing nature of conflict. Weapons are more easily accessed and mobile phones offer a sophisticated but cheap form of communications to insurgents and guerrilla groups. Identity-based conflicts structured around forms of exclusion are deliberately fostered through contemporary techniques using the electronic media. Constructions of the past are developed and disseminated through the radio, videos and television. Hate radio was, for example, of key importance in whipping up the mass hysteria that resulted in genocide in Rwanda.

In resolving these forms of conflict, Kaldor and Luckham stress the importance of democracy. Democracy is both an alternative procedure for managing conflict and a more inclusive political demand to be counterpoised to the demands of the conflicting parties. Above all, what is needed is a democratic politics as an alternative to the various forms of exclusive politics that have contributed to the new forms of violence and conflict. Without a widespread popular commitment to democratic rules and norms, both prevention and resolution of conflict face grave obstacles. What is important for the international community is to give priority to the institutional and political ways in which the democratisation process can be strengthened and deepened.

One of the factors contributing to the intensity of violence and to growing levels of physical insecurity in all of these regions is the increased availability of arms, particularly small arms. H.C.R. Muggah, in his article 'Globalisation and Insecurity: The Direct and Indirect Effects of Small Arms Availability', highlights the way in which globalisation is shaping the international proliferation and diffusion of small arms. Advances in technology and economies of scale have increased civilian access to weapons of high lethality and destructiveness. The widespread diffusion of small arms feeds cycles of human insecurity that have far-reaching consequences for individuals and the functioning of societies. In distilling the broad 'social' effects of small arms availability on societies, the article departs from a traditional supply-side 'demilitarisation' approach to the study of small arms to a more expansive appraisal of the varied dimensions of insecurity.

Distinguishing between the direct and indirect effects of small arms availability, Muggah finds that the direct effects constitute a particularly powerful variable in explaining high rates of mortality and morbidity in conflict regions, while the indirect effects impact on public and population health, criminality, humanitarian action and development. The secondary effects, frequently neglected in the 'arms control' literature, offer a powerful insight into the complexities of arms-related insecurity. In general, however, the use of firearms tends to vary according to situational variables such as normative and behavioural culture, gender and demographics. Nevertheless, some broad trends appear to be

universal. First, violent crime is predominantly an urban or semi-urban phenomena loosely associated with inequalities and the inadequacy and effectiveness of institutions and governance. Armed crime is disproportionately attributable to young males, as are the victims of violent crime.

Guns proliferate both locally and internationally, posing complicated challenges to the state, regional and international institutions. The growing awareness of the complexity of the problems presented by small arms availability has resulted in the contours of analysis broadening rather than narrowing. More and more actors are calling for a multi-disciplinary and integrated approach to disarmament that takes into consideration the problems of armed conflict, criminal networks, post-conflict disarmament, homicide, suicide and accidental death, etc. This has made the task of research into small arms almost unmanageable. For this reason, Muggah argues for more localised case studies that utilise both qualitative and quantitative research techniques.

5 The Donor Communities' Response to the New Security Challenges

Traditionally the development community has viewed conflict as an unfortunate externality that interrupts the process of development and economic growth. But as more and more developing countries become drawn into conflict, development institutions have begun to 'mainstream security' into development policies and practices. As a result, the last few years have witnessed a plethora of initiatives to deal with conflict prevention, conflict resolution and conflict management (OECD DAC 1998; EU 1999). Roy Trivedi, in his article 'Conflict Prevention, Resolution and Management: Improving Co-ordination for More Effective Action', summarises some of the recent initiatives that have been launched. Trivedi concludes that, while there are considerably more levers to address violent conflict in the developing world, the benefits of increased policy focus have yet to be fully realised in terms of practical outcomes. Major coordination challenges remain and, unless these are addressed, the development community is unlikely to see benefits from its current policy of mainstreaming security.

Continuing with the theme of donor responses to conflict, Comfort Ero in her article 'Africa's Global Impact', examines the ways in which the security crisis in Africa has forced the international community to rethink its policies and practices on conflict, development and security in the twenty-first century. Several major themes have arisen from this appraisal. Apart from placing greater emphasis on conflict prevention and mediation, the issue of war economies, the dilemmas of peacekeeping and the challenge of poverty and insecurity have become the major focus of attention.

The emphasis on war economies has led to a better understanding of the causes and persistence of conflicts beyond the traditional assumptions that conflict is associated with tribal hatred and ethnicity. In an effort to tackle war economies, attempts are being made to encourage corporate responsibility, to curb money laundering and increase transparency and accountability in the actions of traders. While Ero welcomes these initiatives, she expresses concern that the almost exclusive attention on greed as the motivation for conflict overlooks the dynamics of grievance that still fuel many conflicts in Africa and beyond.

Meanwhile peacekeeping remains the Achilles' heel of international efforts to deal with conflict. In responding to the failures of international peace missions in Africa, the Western agenda has been to push for more regional approaches to peacekeeping, euphemistically referred to as 'African solutions to African problems'. As Ero points out, nowhere else in the world are such regional approaches sought. Nor has this initiative garnered much support from African leaders, who have neither the means, the skill, nor the motivation for such a task. Ero suggests that, in the face of the longevity and complex internal dynamics of conflicts in Africa, something more than peacekeeping is required if the international community is serious about peace security and conflict prevention in Africa.

On the issue of poverty, security and development, Ero highlights the recent initiatives taken by the World Bank, the Organisation for Economic Cooperation and Development (OECD), the Development Assistance Committee (DAC) and DFID. Most significantly, she stresses DFID's focus

on security sector reforms that target the police, military, paramilitary and intelligence services for better civil control, democratic accountability and respect for human rights. The aim is to bring the good governance agenda to bear upon the security forces. Her preliminary evaluation of this programme suggests that it is highly ambitious and subject to a number of risks.

In conclusion she argues that, although a significant re-evaluation of policies towards conflict are being undertaken by the international community, there needs to be a more critical evaluation of the donor-supported programmes of the 1990s, so that the quick-fix mentality of the past is not repeated. The *ad hoc* policies and tinkering at the periphery are doomed to failure. What is needed is more medium- to long-term engagement by external donors and more commitment from African leaders to find solutions to their own problems.

No matter how necessary it has been for donor organisations to address insecurity and conflict in the developing world, the 'mainstreaming of security' in the context of constraints on overseas development aid has a number of effects on the delivery of long-term development. As Muggah points out in his article, the long-term development goals are receding to embrace a range of activities on a 'relief-development' continuum reflected in a shift in priorities away from traditional development programmes towards conflict-prevention and response. A second effect is associated with the impact of changing priorities on the relative quality of development work. As development programmes are suspended or delayed on account of insecurity, the field context has shifted to reflect 'uncontrolled living spaces where not even relief operators will dare to work' (Meddings 1999). The incongruity is that even as aid workers call for more coordination in regions prone to violence, peace-building, development and transitional activities are not taking place in regions where they are most urgently required.

One area of donor activity that requires much greater attention to long-term development goals is that of post-conflict socio-economic reconstruction. In his article, 'Globalisation, Insecurity and Post-War Reconstruction: Cambodia's Precarious

Transition', Dylan Hendrickson argues that some of the most fundamental aspects of post-conflict rebuilding have been overlooked, mainly because they do not fit comfortably into the prevailing paradigm of 'decentralised development' favoured by the dominant global institutions, which prioritises the role of market over the role of the state in post-war economic reconstruction. Where old political and economic structures have been weakened without the establishment of new systems of regulation, states are ill-equipped to control and protect the internal life of their societies. Where the legitimacy of a regime is challenged and there are mounting demands for economic redistribution, this can create major overloads on state capacity and the political system. Against this background, the introduction of a model of post-war reconstruction that emphasises economic and political liberalisation conflicts with the broader goals of establishing peace and security.

Set against this context, Hendrickson critically examines the civil service reform policies pursued by the IMF and World Bank in their efforts to reconstruct post-war Cambodia. The unique nature of the post-war power sharing arrangement, combined with endemic factional conflict and the insecurities generated by rapid marketisation, resulted in a sharp increase in the size of the civil service after 1993. The donor decision to place the downsizing of the civil service at the centre of their policies for administrative reform in a bid to reduce public expenditures, runs counter to the objective of giving all parties a stake in the peace and reconciliation process, in particular the poorest segments of Cambodian society. Hendrickson also raises fundamental questions about the compatibility of the neoliberal agenda with the long-term needs of war-torn societies. The World Bank's emphasis on decentralised development activities, notably 'recreating the conditions that allow the private sector and institutions of civil society to resume commercial and productive activity', downplays the conflict-laden aspects of war-torn societies and the need for state-led solutions. Hendrickson, in contrast, suggests the need to embed post-war economic reforms in a broader strategy to improve governance, rebuild institutions and restore socio-economic security.

6 Reforming Global Governance

All the current indicators suggest that the patterns of polarisation, marginalisation and conflict will continue over the next thirty years or so, unless major changes are made to the way in which the global economy is governed.

Currently the governance of the global economy is biased in favour of the interests of the industrialised countries, particularly the G7 countries, whose governments and private corporations (and even in some cases NGOs) exercise a disproportionate influence over global economic affairs (Helleiner 1999). Existing economic governance arrangements grant insufficient weight to the imperative of sustainable development, the struggle against human poverty and, by direct implication, the enhancement of human security (Culpeper and Pestieau 1995; Commission on Global Governance 1995).

Ever since the East Asian crisis, which had such devastating socio-economic effects on the vast majority of people in the East Asian region, there has been mounting pressure for an improvement in the global governance of the international system (Helleiner 2000; UNDP 1999; Feldstein 1998). In response, a rethink of international development cooperation is currently underway. At the multilateral level the IMF has undertaken two major evaluations of its lending operations for low income countries. On the basis of their conclusions it has mutated its Enhanced Structural Adjustment Facility (ESAF) into the Poverty Reduction and Growth Facility (PRGF) and is currently attempting to restructure the way it operates in poor countries. Likewise, the World Bank has undertaken an in-depth evaluation of its experience with adjustment lending. It has sought to implement a new development paradigm embodied in its Comprehensive Development Framework that seeks to make poverty reduction strategies the basis for concessional lending to low income countries through international development assistance (IDA) and debt relief to highly indebted poor countries (HIPCs). Furthermore, the OECD has conducted a thorough appraisal of the effectiveness of bilateral development assistance and made comprehensive proposals for improving the development cooperation through application of the principles of partnership and policy coherence.

Preliminary assessments of the changes being made suggest that they are symbolic rather than substantive (Culpepper 2000; Helleiner 1999). In general, while new rules and institutions are still being introduced to advance global markets, such as the Multilateral Agreement on Investment (MAI), there has been much less progress in strengthening rules and institutions to promote universal ethics and norms, especially rights that promote human development and human security and that empower poor people and poor countries (UNDP 1999).

Ultimately, what is lacking in the current reforms is the recognition that markets alone cannot redistribute wealth, enhance equality or improve human security. The global institutions' slavish advocacy of neoliberal policies has blinkered their ability to comprehend that markets often fail. Even the most mainstream economists now acknowledge that markets do not always operate according to textbook neoclassical rules. Yet resistance to change in economic doctrine persists. This can be explained by the vested interests of the wealthy countries in maintaining the status quo. As Helleiner observed in his delivery of the 10th Prebish Lecture at UNCTAD in 1999, 'Current efforts to improve governance in the newly globalised economy are heavily biased towards the interests of the governments, firms and peoples of the wealthiest of the world and this bias will not be easily overcome.' (Helleiner 1999, 21). Yet, as

Kaplinski argues, the basic contradictions within the current system of globalisation are producing their own forces of change.

7 Conclusion

Globalisation has created a deeply divided world with its own security dilemma, namely the conflict between the haves and have nots. Under present conditions, the more the rich acquire, the more human insecurity, violent conflict and crime will escalate in the periphery. Unless adjustments are made to current economic orthodoxy that allows for redistribution by means other than via formal markets, there will be no end to the violence, conflict and the ensuing humanitarian tragedies that constantly punctuate the realities of the developing world.

Reform of the system of global governance requires radical economic and political changes that are substantially greater than anything so far being proposed by donor agencies and multilateral organisations. Tinkering at the margins of a system of inequality and social exclusion will do little to overcome the great challenges facing humanity at the beginning of the twenty-first century. In the absence of radical change, conflict, crime and violence will proliferate because they offer a means to accumulate power and profit where formal channels to such acquisition have been closed off by a global system that offers no alternative.

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